
REPORT
INDIAN TEA ASSOCIATION
1964

INDIAN TEA ASSOCIATION

Report for the year ended 31st December, 1964

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INDIAN TEA ASSOCIATION

REPORT OF THE GENERAL COMMITTEE FOR THE YEAR ENDED 31ST DECEMBER, 1964.

The General Committee have pleasure in presenting to members their report on the work of the Association during their period of office.

Membership.—(1) *Admissions.*—The following tea company was admitted to membership of the Association with effect from 1st January, 1965.

Washabarie Tea Co., Ltd.

(2) *Resignations.*—The following tea companies and tea estates resigned from the membership of the Association during the year:—

Doyapore Tea Co., Ltd.

Ghillidary Tea Co., Ltd.

Jungpana Tea Estate.

Kajanibari Tea Estate.

Mohurgung & Gulma Tea Estates.

Oodlabari Co., Ltd.

Roopacherra Tea Co., Ltd.

The membership area of the Association as at 31st December, 1964 stood at 146,466.68 hectares as compared with 145,257 and 145,924 hectares at 31st December, 1963 and 1962 respectively.

General Committee, Chairman and Vice-Chairman.—At the Annual General Meeting of the Association held on the 6th March, 1964, the following companies were declared elected

by the vote of members to constitute the General Committee for the year 1964 and the representatives of those firms, who comprised the Committee during the year, were as follows:—

Balmer Lawrie & Co., Ltd.	Mr. H. K. FitzGerald
Davenport & Co., Ltd.	{ Mr. B. P. Bajoria Mr. S. Prashad
Duncan Brothers & Co., Ltd.	{ Mr. A. F. Macdonald Mr. M. S. Christie
Gillanders Arbuthnot & Co., Ltd.	Mr. G. A. Whitaker
James Finlay & Co., Ltd.	{ Mr. A. N. Sircar Mr. R. C. N. Scott
James Warren & Co., Ltd.	{ Sir Richard Duckworth, Bt. Mr. M. R. Smith.
Jardine Henderson Ltd.	Mr. B. D. C. Dunhill.
Macneill & Barry Ltd.	{ The Hon. S. P. Sinha Mr. M. C. Taraporvala
Octavius Steel & Co., Ltd.	Mr. S. D. K. Fraser
Shaw Wallace & Co., Ltd.	Mr. D. B. Wallace
Williamson Magor & Co., Ltd.	{ Mr. E. H. Hannay, O.B.E. Mr. A. J. Cameron
Andrew Yule & Co., Ltd.	{ Mr. P. A. Francis Mr. F. P. D. Hurst

At the first meeting of the General Committee held on the 10th March, 1964, Mr. H. K. FitzGerald of Balmer Lawrie & Co., Ltd. was elected Chairman of the Association and Mr. A. F. Macdonald of Duncan Brothers & Co., Ltd. was elected Vice-Chairman.

Sub-Committees.— The following Sub-Committees were constituted during the year 1964 :—

West Bengal Sub-Committee

{	Mr. D. B. Wallace, <i>Chairman</i>	{	Mr. A. F. Macdonald
	Mr. P. Steyn		Mr. M. S. Christie
{	Mr. P. A. Francis, <i>Vice-Chairman</i>	{	Mr. C. R. F. Mackenzie
	Mr. F. P. D. Hurst		Mr. G. W. Maycock
{	Mr. M. J. Chaytor	{	Mr. S. Prashad
	Mr. G. Sandys Lumsdaine		Mr. R. C. N. Scott
{	Mr. S. D. K. Fraser	{	Mr. B. D. C. Dunhill
	Mr. M. Lamond		

During the absence on leave of Mr. D. B. Wallace, Mr. A. F. Macdonald acted as Chairman of this Sub-Committee.

Scientific Sub-Committee

{	Mr. I. F. Morriss, O.B.E., <i>Chairman</i>	{	Mr. R. MacIntosh
	Mr. A. F. Macdonald, <i>Vice-Chairman</i>		Mr. C. R. F. Mackenzie
{	Mr. M. S. Christie	{	Hon. S. P. Sinha
	Sir Richard Duckworth, Bt.		Mr. M. C. Taraporvala
{	Mr. M. R. Smith	{	Mr. A. N. Sircar
	Mr. H. K. FitzGerald		Mr. R. C. N. Scott
{	Mr. P. A. Francis	{	Mr. P. Steyn
	Mr. F. P. D. Hurst		Mr. D. B. Wallace
{	Mr. M. J. Griffiths	{	Mr. M. C. Whear
			Mr. G. A. Whitaker

Labour, Wages and Bonus Sub-Committee

Mr. H. K. FitzGerald,
Chairman

Mr. A. F. Macdonald	Hon. S. P. Sinha
Mr. M. S. Christie	Mr. M. C. Taraporvala

Mr. C. R. F. Mackenzie Mr. G. A. Whitaker

Foodstuffs Sub-Committee

Mr. H. K. FitzGerald, *Chairman* { Mr. D. B. Wallace
Mr. A. J. Cameron { Mr. P. Steyn

Tea Warehousing and Shipping Sub-Committee

{	Mr. A. F. Macdonald.	Mr. S. Boucher	
	<i>Chairman</i>		
{	Mr. M. S. Christie	Mr. M. R. Smith	
{	Mr. M. J. Chaytor	{	Mr. M. C. Taraporvala
{	Mr. N. Johannes	{	Hon. S. B. Mackay

Mr. M. R. Smith acted as Chairman of this Sub-Committee during the absence on leave of Mr. A. F. Macdonald.

Finance and Taxation Sub-Committee.

Mr. J. C. Laing, O.B.E., <i>Chairman</i>	Mr. D. A. Houghton
	Mr. S. K. Mitra
Mr. F. D. Collins	Mr. G. A. McCarthy
Mr. D. Fordwood	Mr. R. C. N. Scott

Supplies, Transport and Freight Rates Sub-Committee.

Mr. M. R. Smith, Chairman	Mr. S. K. Mullick
Mr. V. K. Chaudhri	Mr. R. C. N. Scott
Mr. J. Duncan	Mr. P. Steyn
Mr. G. Morgan	Mr. D. B. Wallace
Mr. N. Johannes	Mr. M. C. Taraporvala
	Hon. S. B. Mackay

Customs and Excise Sub-Committee.

Mr. M. R. Smith, Chairman	Mr. V. K. Chaudhri
Mr. G. Morgan	Mr. S. K. Mullick
Mr. N. Johannes	Mr. A. K. Pal

Cachar Sub-Committee.

Hon. S. P. Sinha, Chairman	Mr. M. Lamond
Mr. M. C. Taraporvala	Mr. B. D. C. Dunhill
Mr. P. B. Datta	Mr. A. F. Macdonald
Mr. S. D. K. Fraser	Mr. M. S. Christie

Emoluments Sub-Committee

Mr. H. K. FitzGerald, Chairman	Mr. G. A. McCarthy
Mr. B. D. C. Dunhill	Mr. R. C. N. Scott
Mr. E. H. Hannay, O.B.E.	Hon. S. P. Sinha
	Mr. M. C. Taraporvala

General Engineering and Technical Sub-Committee.

{	Mr. A. F. Macdonald,	Mr. J. A. Eastwood
	<i>Chairman</i>	
	Mr. M. S. Christie	Mr. M. C. Whear

During Mr. Macdonald's absence on leave Mr. M. C. Whear acted as Chairman of this Sub-Committee.

Staff at Calcutta and Shillong.— The Association's staff at Calcutta at present consists of Mr. P. Crombie, M.B.E., the Senior Adviser, Mr. P. J. Parr, the Calcutta Adviser and Mr. D. Chakravarti, the Economic Adviser.

Mr. J. S. Hardman, O.B.E. continued to serve as the Association's Adviser at Shillong during the year. When he was on leave Mr. G. T. Allen, M.C. acted as the Shillong Adviser.

The Association's secretarial work continued to be performed by the Bengal Chamber of Commerce and Industry from whose staff Mr. E. I. Brown and Mr. K. Watson were deputed to attend to the Association's work.

Stipendiary Staff of the Association at the Branches.—There were no changes in the stipendiary staff of the Association during the year.

Mr. J. R. Gee-Smyth was deputed permanently to Tocklai Experimental Station as Administrative Controller and during his absence on leave Mr. K. M. Hutchison acted on his behalf.

At the end of the year the staff were posted as follows :—

ASSAM BRANCH

Headquarters

Secretary :	... Mr. S. B. Datta
Labour Adviser :	... Mr. J. E. Atkins

Zone 1

Secretary/Labour Adviser ... Mr. D. K. Dutta
Addl. Secretary/Labour Adviser ... Mr. E. K. Rawson Gardiner

Zone 2

Secretary/Labour Adviser : ... Mr. R. D. E. Langford Rae

Zone 3

Secretary/Labour Adviser : ... Mr. G. T. Allen, M.C.

Addl. Secretary/Labour Adviser : ... E. F. Eduljee

Mr. K. M. Hutchison ...
Mr. S. Raha ... } on leave
Mr. E. F. Eduljee ...
Mr. R. K. Jaitly ... }

SURMA VALLEY BRANCH

Secretary ... Mr. K. N. Sircar

DOOARS BRANCH

Secretary ... Brig. F. H. Stevens, O.B.E.

Labour Adviser ... Mr. R. C. Mazumdar

Addl. Labour Adviser,
West ... Mr. T. Borooah

Addl. Labour Adviser,
East ... Mr. S. Singh

DARJEELING BRANCH

Secretary/Labour Adviser ... Mr. T. J. Mathias, D.S.C.

TERAI BRANCH

Secretary ... Mr. J. D. Gabriel

Statistical Department.—Under the control of the Association's Economic Adviser, the Association's Statistical Department provided a valuable service to the Association and continued to maintain the usual statistics regarding housing, medical facilities, area under tea and labour employed on tea estates in the membership of the Association.

The Tea Board.—(1) *The Board.*—The Association was represented on the Tea Board by the following gentlemen :

Hon. S. P. Sinha

Mr. I. F. Morris, O.B.E.

Mr. G. E. Stevenson

Mr. J. P. Hannay, O.B.E.

The Hon. S. P. Sinha resigned his appointment in April and Mr. H. K. FitzGerald was appointed a member of the Board in his place. Mr. J. P. Hannay, O.B.E., resigned in October, 1964 and the Government of India appointed Mr. S. G. B. Brown, the Chairman of the Assam Branch, as a member of the Board in his place.

(2) *The Executive Committee.*—The Tea Board has an Executive Committee of nine members and the Association was represented on this Committee by Mr. H. K. FitzGerald.

(3) *Licensing Committee.*—Rule 12 of the Tea Rules, 1954 provides for the constitution of two Licensing Committees, one for North India and one for South India. The Association's representatives on the North India Committee are Mr. H. K. FitzGerald and Mr. I. F. Morris, O.B.E.

(4) *Export Promotion Committee.*—The Tea Board has an Export Promotion Committee of seven members, which is

entrusted with the task of promoting exports of tea. The Association is represented on the Committee by Mr. I. F. Morriss, O.B.E.

(5) *Labour Welfare Committee.*—The Association was represented on the Labour Welfare Committee of the Tea Board by Mr. G. E. Stevenson and Mr. J. P. Hannay, O.B.E.

(6) *Ad Hoc Tea Research Liaison Committee.*—One of the functions of the Tea Board is to undertake, assist or encourage scientific, technological and economic research and the task of making representations for this purpose is allotted to the Tea Board's *Ad Hoc Tea Research Liaison Committee* on which the Association is represented by Mr. I. F. Morriss, O.B.E. and Mr. P. J. Parr.

Indian Standards Institution.— The Association continued its membership of the Indian Standards Institution during 1964 and was represented on the following Committees of the Institution :

- (i) *Wood Products Sectional Committee.*—by Mr. M. J. Griffiths and Mr. A. J. Cameron both of Williamson Magor & Co., Ltd. as principal and alternate representatives respectively.
- (ii) *Paper Products and Packaging materials sectional Committee* by Mr. M. J. Griffiths of Williamson Magor & Co., Ltd. and Mr. K. Ghosh of A. Tosh & Sons (Private) Ltd. as principal and alternate representatives respectively.

The General Assembly of the International Organisation for Standardisation was held in Delhi from the 9th to the 21st November and at the invitation of Indian Standards Institution the Association registered itself as a member of the reception committee. At a preliminary session of the Assembly a meeting of the **Technical Sub-Committee** on stimulant foods was held on the 12th November.

The I.T.A. (London) was represented on the U.K. delegation by Mr. E. H. Hannay, O.B.E.; Dr. I. S. Bhatia of Tocklai attended as an adviser to the Tea Board representative on the Indian delegation.

The Sub-Committee decided that initially its deliberations should be restricted to tea, coffee and cocoa. It was agreed to set up a separate Working Group for Tea, with the primary task of dealing with sampling, test methods, specifications and packaging. The offer of the U.K. delegation to arrange for the secretarial work of the Working Group to be undertaken by the U.K. National Council was accepted, although it was anticipated that much of the drafting work would, in fact, be undertaken by tea interests in India.

It was suggested that the next meeting should take place late in 1965 and Turkey invited the Sub-Committee to meet in Ankara.

Representation of the Association on Various Bodies.—The Association was represented on various public bodies during 1964 as follows :—

- (a) The Governing Body of the Endowment Fund of the School of Tropical Medicine, Calcutta, by Mr. I. F. Morriss, O.B.E.
- (b) The Committee of Control of the Ross Institute of Tropical Hygiene, India Branch, by Mr. I. F. Morriss, O.B.E.
- (c) The Eastern Regional Committee of the Central Commercial Representation Fund, by Mr. H. K. FitzGerald.
- (d) The Railway Rates Advisory Committee by Mr. M. R. Smith.
- (e) The West Bengal Leprosy Association, by Mr. S. Menon.

- (f) West Bengal Pradesh Committee of Sardar Vallabhbhai Patel Memorial Fund, by Mr. G. A. Whitaker.
- (g) North Bengal Flood Advisory Committee by Mr. G. E. Stevenson.
- (h) Minimum Wages Central Advisory Board, by Mr. P. Crombie, M.B.E.
- (i) West Bengal Minimum Wages Advisory Board, by Mr. P. Crombie, M.B.E.
- (j) Export Sub-Committee of the Bengal Chamber of Commerce and Industry, by Mr. H. K. FitzGerald.
- (k) Labour Relations Sub-Committee of the Bengal Chamber of Commerce and Industry, by Mr. P. J. Parr.
- (l) West Bengal State Electricity Consultative Committee, by Sir Richard Duckworth, Bt.

Indian Tea Association (London).—As in the past the General Committee corresponded throughout the year with the Indian Tea Association (London) on all matters of common interest and liaison between the two Associations was greatly facilitated by an interchange of visits which made possible discussion on the many problems which confronted the Industry in 1964.

The Deputy Chairman of the London Association, Mr. H. K. Stringfellow paid a visit to India in February, 1964 during which he toured the tea districts and held discussions with the Committee on the various matters which were under correspondence with London at the time.

Mr. R. L. Hards and Mr. S. H. Davies, M.C. who are members of the London Committee, were invited to become honorary members of the Calcutta Committee when they visited India.

In accordance with custom, the Chairman and Senior Adviser paid a visit to London in July, 1964, when discussions on a wide range of subjects took place. Sir Richard Duckworth, Bt. and Mr. E. H. Hannay, O.B.E. of the Calcutta Committee and Mr. S. G. B. Brown, Chairman of the Assam Branch were invited to become honorary members of the London Committee while they were on leave in the U.K.

United Planters' Association of Southern India.— As in the past, liaison has been maintained with the United Planters' Association of Southern India by an exchange of views on matters of importance to the Tea Industry. The South Indian Association was represented at various meetings of the Consultative Committee of Plantation Associations held in Calcutta during the year. Consultations were also held with the UPASI representatives and the closest liaison was maintained during the various sessions of the Wage Board and at the meeting of the Industrial Committee on Plantations. The Chairman and Senior Adviser visited South India in September to attend the Annual General Meeting of the United Planters' Association of Southern India and the opportunity was taken of holding a meeting of the Consultative Committee of Plantation Associations at that time.

During the year the Association continued to utilise the services offered by the Delhi Liaison Office of UPASI.

The Branch and District Associations.— The various Branch and District Planters Associations with whom the Association corresponded on all matters of interest to producers were as follows :—

	Membership area in hectares
Assam Branch Indian Tea Association ...	99,239
United Planters' Association of Southern India	59,505
Dooars Branch Indian Tea Association ...	41,899
Tea Association of India ...	28,877

	Membership area in hectares
Indian Tea Planters Association, Jalpaiguri ...	25,393
Assam Tea Planters Association ...	21,567
Darjeeling Branch Indian Tea Association ...	16,985
Bharatiya Cha Parishad ...	15,663
Surma Valley Branch Indian Tea Association ...	14,204
Surma Valley Indian Tea Planters Association ...	7,361
Terai Branch Indian Tea Association ...	5,171
Terai Indian Planters' Association ...	4,576
Tripura Tea Association ...	4,430
Kangra Valley Indian Planters Association ...	3,844
Dehra Dun Tea Planters Association ...	1,409

Consultative Committee of Plantation Associations.—The Consultative Committee continued to function throughout the year and held a total of eleven meetings, all of which took place at Calcutta—except one which was held at Coonoor in September.

At a meeting held on the 5th May it was decided that the scope of the Consultative Committee of Tea Producer Associations should be enlarged to cover in addition to tea, coffee, rubber and cardamoms. As a result the name of the Committee was changed to "The Consultative Committee of Plantation Associations" and the words "Tea-Coffee-Rubber-Cardamom" were to be printed below the new name on the Committee's stationery.

The Consultative Committee served a very useful purpose and enabled producers' views on various matters of interest to the Industry to be exchanged. Discussions during the course of the year covered the following main subjects :—

(i) *Tea Finance Committee.*—The Consultative Committee nominated four representatives, Mr. H. K. FitzGerald, Mr. R. Storey-Dickson, Mr. B. C. Ghose and Mr. P. Crombie, M.B.E. as its representatives on the Tea Finance Committee set up by the

Board of Trade. A comprehensive memorandum was prepared and submitted to the Tea Finance Committee explaining in detail the measures which it was suggested Government should take to assist the industry to increase production and expand exports.

(ii) *Bonus Commission Report*.—The Committee studied the implications of the Bonus Commission's Report and the draft Payment of Bonus Bill which the Government of India had prepared to give effect to the Commission's recommendations. Strong representations were made against the proposal for a minimum bonus of 4 per cent of wages or Rs. 40 whichever was higher irrespective of profit or loss.

(iii) *Nehru Memorial Fund*.—It was suggested that the Industry in North India should endeavour to raise a sum of Rs. 5 lakhs as their contribution to the Nehru Memorial Fund. This would involve a subscription of Rs. 3/50 per hectare.

(iv) *Land Acquisition*.—The Committee sent two Memoranda to the Tea Board for submission to the Chief Ministers of Assam and West Bengal requesting that land suitable for the cultivation of tea should be exempted from requisition and that where requisition had already taken place, arrangements should be made for the return of the lands to the estates concerned. A memorandum was also submitted to Minister of Land and Land Revenue, West Bengal calling attention to the hardship which would be imposed on tea gardens if the proposed increases in land rent were imposed.

(v) *Wage Board*.—The progress of the Wage Board was discussed and briefs for the Industry's representatives were agreed upon.

All these matters are dealt with in greater detail elsewhere in this report.

TEA CONTROL, CALCUTTA & LONDON MARKETS

Tea Control in India.— (1) *The Tea Act.*—Control over the planting of tea in India and over its export from the country is exercised by the Government of India through the medium of the Tea Act, 1953. No amendments were made to the Tea Act or to the Tea Rules during the year under review.

(2) *The Licensing Committee.*—The provisions of the Tea Act in so far as they relate to tea control are enforced by the Tea Board acting through the medium of two licensing committees : one for North India and the other for South India. The Association's representatives on the North India Committee are Mr. H. K. FitzGerald and Mr. I. F. Morriss, O.B.E.

(3) *Export quota allotment.*—The export quota system continued under suspension during the year under review but all exports of tea had to be covered by licences, which were issued by the Tea Board on payment of a licence fee of Rs. 2.20 per 1,000 kg. or part thereof.

(4) *Export of Tea Seed from India.*—In July, 1964 the Tea Board asked all Tea Producer Associations to submit details of the amount of tea seed likely to be produced by their members during the year and also the amounts likely to be required by them for replacements and new plantings. The returns submitted seemed to indicate that the quantity of tea seed expected to be produced would exceed the requirements of tea estates.

Towards the end of the year a major producer of tea seed reported that they were experiencing difficulty in disposing of their production and suggested that Government should be asked to allow exports to a limited extent. Information is

being collected regarding the extent of the surplus with a view to submitting a representation to the Tea Board.

(5) *Tea Cess*.—During the year under review tea cess continued to be levied on exported teas at the rate of Rs. 4.4 per 100 kilograms.

Marketing of the 1964 Crop.— (1) *Crop* :—On the basis of the monthly crop returns submitted by Agency Houses the 1964 tea crop in North East India has been estimated by the Association's Statistical Department at 286,600,578 kilograms as compared with the revised estimate of 255,674,570 kilograms for 1963 which indicates an increase of 12.10 per cent.

(2) *Export Quota allotment*.—The suspension of the export quota system continued during the year under review.

(3) *Calcutta Auctions*.—The leaf sales of the 1963/64 season were virtually completed by the end of March, 1964. Dust sales continued until late May by which all but a few late invoices had been disposed of and there was practically no carry forward into the new season's catalogues.

The first leaf sale of season 1964/65 was held on the 18th May, 1964 although a fair quantity of Darjeeling tea was sold privately before that date. The first dust sale took place on the 10th June, 1964. By the end of the year 31 sales had been held.

(a) *Leaf Sales*.—The first few sales consisted mainly of Darjeeling teas. There was selective demand and whilst the most stylish grades and teas with useful first flush flavour sold well, prices for the more ordinary varieties were often disappointing. Teas from other districts were readily absorbed, with stylish leaf and bright liquors coming to a strong market.

The market maintained a healthy tone until the end of October, after which prices began to decline. Darjeeling fanning grades were a strong feature until the middle of August after which they declined steadily in value. Plain fannings remained slightly below last year's level until the first sale in September, when the entry of the U.A.R. into the market brought prices for this category of tea more into line with last season. Demand, however, was not maintained and prices fell away at the end of October. Orthodox Assams, which were available in greater quantity, showed the biggest drop in price although selected lines realised high prices. C. T. C. Assams were readily absorbed but prices failed to reach last year's peak levels, although medium C.T.C.'s held up well and were quoted slightly above last year's level after the middle of the year.

The average price of all teas (exclusive of excise duty) up to Sale No. 31 was Rs. 5.32 as compared with Rs. 5.42 to the same date last year. With the exception of Darjeeling, which recorded an increase of 52 paise, all districts were below last year. The Dooars showed a decline of 9 paise while Assam was down by 22 paise. The number of chests sold amounted to 1,521,613 as compared with 1,409,920 on the same date in the previous year.

(b) *Dust Sales.*—As was the case last year the dust market displayed a healthy tone throughout the season, and the slightly larger offerings were well absorbed without any marked fluctuations in prices.

At the end of the year 723,544 chests had been sold at an average price of Rs. 4.77 per kilogram as against 671,557 chests at an average price of Rs. 4.85 per kilogram to the same date in the previous season.

(c) *Quality*.—Although the early first flush in Darjeeling was somewhat heavier this year the final outturn for this period ended near last year's level owing to hail damage experienced by several gardens. Leaf appearance was satisfactory but cup quality was generally of an ordinary description, with teas from some areas being a little below average.

Early second flush teas were rather disappointing but quality improved and a satisfactory weight of quite useful flavoured tea with good leaf appearance eventually came to market. Rains teas were fully average in all respects. An unusual feature was an increase in tip from some gardens as quality and flavour tended to show a seasonal decline. Towards the end of October cup quality showed improvement in some cases and although leaf appearance remained fully average till the end of the year very few teas with true autumnal flavour were seen.

Early teas from Assam were below average; more fibre was noticeable in C.T.C. teas; and there was less tip in the top orthodox grades. The lower orthodox grades showed little stalk and fibre. Cup quality was at first of a very ordinary description but a distinct improvement was seen towards the end of the first flush. During the second flush period the general standard of C.T.C. manufacture was satisfactory both in leaf and liquor but, with few exceptions, cup quality was below last year's peak level owing to heavy rainfall. Orthodox teas were about average and some quite useful bright liquoring invoices were seen. Rains manufacture was of satisfactory standard both for orthodox and C.T.C. teas. From about the end of October the usual decline in cup quality was noticed and stalk and fibre became more evident.

Dooars teas of orthodox manufacture were satisfactory throughout the season and compared favourably with last year's production. Cup quality was fully equal. Some tip was noticeable while stalk and fibre were in most cases kept down to a

reasonable minimum. C.T.C. teas were generally well sorted and, apart from the secondary grades, were commendably free from fibre although a slight falling off occurred from September. Cup quality was generally better than last year. Legg cut teas maintained last year's standard although in some cases fibre was a little more prominent.

Orthodox teas from the Terai were satisfactory in appearance with some tip noticeable. A few quite attractive tippy grades were seen. The lower grades, however, generally displayed a little stalk and fibre and this became more noticeable towards the end of the year. A generally satisfactory standard of crop quality was maintained until August after which a normal seasonal decline occurred. C.T.C. and Legg cut teas were of average standard.

Heavy rain early in the season, combined with hail which caused quite extensive damage in some areas, did not encourage the production of quality teas in Cachar. Orthodox grades were on the whole satisfactory in appearance with a little tip evident. The lower grades however tended to be dullish with more stalk and fibre showing. Legg cut teas were about average but C.T.C. teas were brownish in appearance with more than the desirable amount of fibre present. Cup quality was disappointing.

Shipment of unsold teas to the London Auctions.—The Calcutta Tea Regulation Committee continued to keep a watch over shipments to the London Auctions during the year.

Prevention of Food Adulteration (Amendment) Act 1964.

The Prevention of Food Adulteration (Amendment) Bill was introduced in the Lok Sabha towards the end of 1963 and was referred to a Joint Committee of Parliament for consideration. The Bill was published in the Gazette of India Extraordinary of the 20th December, 1963 and received the close scrutiny of

Producer and Trade Associations. The proposed amendments sought to make the penal provisions of the Act more stringent laying down compulsory imprisonment with or without fine for the first offence under the Act.

A memorandum was submitted to the Joint Committee of Parliament by the Consultative Committee of Plantation Associations, in which it was suggested that the term "adulterated" which was defined in sub-section (i) of Section 2 of the Prevention of Food Adulteration Act, should not be applied to tea and coffee. This exemption was claimed on the grounds that the Act made no differentiation between adulteration—which in respect of teas implied that some foreign matter had been added—and sub-standard teas which, while not conforming to the chemical specifications laid down in the Act, were nevertheless perfectly wholesome, genuine and unadulterated teas entirely acceptable to the Trade.

The Bill became an Act in December, 1964,—the amendment suggested by the Consultative Committee was not adopted by Government—and was published in the Gazette of India Extraordinary of the 26th December, 1964. The Act will come into force on a date to be notified by Government.

Warehousing Conditions.— Warehousing conditions for the storage of tea were satisfactory during 1964, the tea trade and Industry being allotted accommodation for 6.43 lakh chests in the port area as follows : —

	Accommodation for
Sale Tea Warehouse	... 2.40 lakh chests
Hide Road Warehouse	... 1.44 lakh chests
3 King George's Dock (1st floor)	... 0.90 lakh chests
Kantapukur Sheds	... 1.59 lakh chests
	<hr/> 6.43 lakh chests

For transit teas accommodation was provided at the Tea Transit sheds for river teas and at Hide Road Warehouse (Ground floor) for rail teas.

The accommodation allotted for river borne teas was inadequate during the peak season and when efforts to obtain additional suitable accommodation failed, the R. S. N. & Co., Ltd. had to resort to landing teas at Juggernath Ghat from the month of September. While this arrangement relieved the position for some time, the situation became critical at the end of October when there were about one lac tea chests at the T. T. Sheds and at Juggernath Ghat, about two lac tea chests afloat and a further 60,000 chests due to arrive. This situation appeared to have arisen because during the Puja holidays the sailing of two ships had been put back with the result that other ships had been held up and the teas due to be carried by them could not be loaded. Representations were made to the Port Commissioners to allot berths to tea ships on a priority basis and to allow teas to be moved to the shipment sheds even if the berths had not been allotted. Members were also asked to arrange for their teas to be removed from the T. T. sheds with the minimum of delay. The position continued to remain difficult, and it was necessary for the Association in November to authorise the R. S. N. & Co., Ltd. to remove teas from the T. T. sheds, after the expiry of the free storage period of seven days, and on confirmation by the Agency House that it had not made its own arrangements for the removal of the teas on that day.

The clearance of teas suffered a further set back towards the end of November when the clerical staff of the R. S. N. & Co., Ltd. resorted to a "go slow" strike and refused to work overtime : the result was that the delivery rate was reduced by half. The strike was not resolved at the end of the year and considerable inconvenience was experienced by members who were unable to obtain delivery of their teas from the R. S. N. & Co., Ltd. in time to meet their commitments.

Remittance of Premia to the U.K. for Insurance Purposes,—

Early in the year the Association was advised that the Reserve Bank of India had informed certain Sterling Tea Companies that after 1965 they would not be granted permission to renew their policies in the U.K. covering their teas while lying in London warehouses and that they would have to arrange for this insurance cover in India.

The Association took the matter up with the Reserve Bank of India explaining that insurance cover for teas lying in the London warehouses was taken out in the U.K. by the London offices of the Tea Companies on a long contract basis for a period of three years at a time in order to enable them to obtain a discount in rates. The premia paid was deducted from the sale proceeds of tea remitted to India. If the Companies were not allowed to continue this procedure they would experience a number of difficulties for the following reasons:—

- (i) Once the teas were received in the London warehouses they were generally handed over to the London offices, to decide when the teas were to be offered for auction and to arrange for the delivery of the teas after sale. The insurance cover was subject to periodical declarations of teas received and disposed of, which could only be prepared by the London offices. If the insurance were taken out in India, there would be a considerable amount of paper work to be done both in London and Calcutta.
- (ii) Settlement of claims in the U.K. between the London offices and the insurance companies in London was much quicker and administratively more convenient than would be the case if correspondence had to be exchanged between the London offices, the Calcutta offices and the insurance companies in India.

The Reserve Bank was asked therefore to reconsider their ruling and to allow sterling tea companies to renew their

insurance policies in the U.K. covering their teas lying in the London warehouses.

In due course, the Reserve Bank informed the Association that the restrictions imposed by them did not extend to the insurance of teas sent on consignment basis and lying in London warehouses and that it would be in order for the sterling tea companies to obtain insurance cover on such teas in the U.K. and to pay the premia for such insurance out of the sale proceeds of the shipment teas.

Towards the end of the year it was reported to the Association that the Reserve Bank of India had advised some tea companies that they would not be allowed to renew their marine insurance policies in the U.K. after 1965 and that such cover would have to be arranged in India. After consideration the Association decided that no useful purpose would be served in making representations in this case.

FINANCE AND TAXATION

Working Group on Plantation Crops for the Third and Fourth Plans : Sub Group on Tea.—In last year's report it was recorded that the Planning Commission's Working Group on Plantation Crops had set up a Sub-Group on Tea under the Chairmanship of the Chairman, Tea Board to decide the targets to be fixed for production and exports of tea under the third and fourth Five Year Plans.

The Sub-Committee, which had held one meeting last year, met on four occasions in 1964 and, after examining a vast amount of statistics of production and exports, submitted a report to the Planning Commission in which the following recommendations were made :

- (1) The targets for the third Five Year Plan should be revised as follows :—

Production	...	830 million pounds
Exports	...	530 million pounds

- (2) During the fourth Five Year Plan the area under tea should be extended by 24,000 acres in each of the five years. In the fifth Five Year Plan extensions of 12,000 acres and replacements of 12,000 acres should be carried out in each year.

- (3) The targets for the Fourth Plan were fixed as follows :—

Production	1,000 million pounds
Exports	650/670 million pounds

- (4) The targets for the Fifth Plan were tentatively fixed as follows :—

Production	1,200 million pounds.
Exports	810/830 million pounds.

Recognising that these targets could only be achieved if climatic conditions were favourable and if incentives were granted to the industry, the Sub-Group recommended the following measures to assist the Industry and trade to increase production and exports:—

- (a) State Governments should refrain from requisitioning land suitable for the cultivation of tea and should take steps to return any suitable land already requisitioned.
- (b) Expenditure on new plantings should be treated as a revenue charge.
- (c) If expenditure on new plantings could not be treated as a revenue charge, depreciation or a 40 per cent development rebate should be allowed.
- (d) There should be uniformity in the rates of Agricultural Income Tax imposed by State Governments.
- (e) A rebate of 50 per cent of excise duty should be allowed on the additional crop produced as compared with the average crop of the previous five years
- (f) A refund of excise duty should be granted on exports.
- (g) A system for the deferred payment of excise duty should be evolved.
- (h) The income tax rebate on 2 per cent of the sale proceeds of exports allowed to industries covered by the Industries (Development and Regulation) Act. 1961 should be extended to the tea industry.
- (i) The Government of India should initiate steps for the consolidation of the various state taxes imposed on tea.

Tea Finance Committee.—By a resolution dated the 21st July 1964 the Government of India constituted a Tea Finance Committee under the Chairmanship of Mr. V. V. Chari, I.C.S., Additional Secretary to the Ministry of Finance with the following terms of reference :

- (i) To examine the financial position of the Tea Industry with particular reference to the requirements of increase in production and exports;
- (ii) To review the financial assistance available to the industry from the Tea Board and Banking institutions and to suggest simplification of procedures relating thereto ;
- (iii) To make recommendations regarding the provision of finances required by the industry;
- (iv) To examine the structure of taxes on tea and to suggest appropriate measures for giving tax relief where necessary.
- (v) To make any other recommendation that the Committee may deem appropriate for the development of the tea industry.

The Industry was represented on this Committee by Mr. H. K. FitzGerald, The President of the United Planters Association of Southern India, Mr. B. C. Ghose and Mr. P. Crombie, M.B.E. The Committee held four meetings—three in Calcutta and one in New Delhi—at which detailed consideration was given to the various memoranda which had been submitted by the Consultative Committee of Plantation Associations and individual Tea Producer Associations.

A Special Sub-Committee, consisting of Mr. H. K. FitzGerald, Mr. A. F. Macdonald, Mr. P. A. Francis, Mr. R. C. N. Scott and the Hon. S. P. Sinha was appointed by the Association to prepare a memorandum for submission to the

Committee on the Industry's behalf. The draft memorandum was referred to the constituent Associations of the Consultative Committee of Plantation Associations and also received the detailed consideration of the General Committee. The final recommendations incorporated in the memorandum, which was submitted to the Tea Finance Committee on behalf of the Consultative Committee of Plantation Associations, were as follows :—

Financial Assistance from the Tea Board and Banking Institutions.—

- (a) Scheduled banks should be more liberal in granting advances against crop hypothecation and a Tea Finance Guarantee Scheme should be set up.
- (b) The various loan schemes should be liberalised.

Recommendations for Provision of Finance required.—

- (a) Reduction in excise duty to meet the cost of extensions and replanting.
- (b) Refund of excise duty on exports.
- (c) Collection of excise duty in arrears.
- (d) Extensions and replacements to be allowed as revenue charge.
- (e) Depreciation should be allowed on field assets.
- (f) Development rebate of 50 per cent.
- (g) All tea companies should be eligible for the export rebates allowed under the Finance Act.
- (h) Rationalisation of taxation under uniform system ; various State taxes to be limited or abolished.

Other Recommendations—

- (a) Labour costs, including wages and bonus should be stabilised.
- (b) Financial liabilities under the Plantations Labour Act should be limited—particularly in respect of housing.
- (c) There should be adequate provision of supplies such as food, fertilisers, plant and equipment and spare parts.
- (d) Rates of ocean freight should be reduced.
- (e) There should be no requisition/acquisition of tea garden land, and such land should be exempted from land ceiling legislation.

Additional statistical information was produced by the Industry's representatives as required to support the proposals which had been put forward.

The report of the Tea Finance Committee became available towards the end of the year and the following are the Committee's main recommendations :—

1. The rates of agricultural income tax should not exceed the rates of central income tax.
2. A development allowance of 50 per cent on the cost of plantation in new areas and of 40 per cent of such cost in areas replanted should be allowed as a deduction in computing taxable income for purposes of the Central Income-tax as well as the State Agricultural Income-tax.

For the purpose of computing the development allowance the cost of planting should be subject to a ceiling of Rs. 4,000 per acre in the plains and Rs. 5,000 per acre in the hill areas.

3. Expenditure on the cost of upkeep after plantation in new areas should be allowed as a prior charge.
4. A refund of excise duty on all exports should be given at the rate applicable to Zone I which is currently 18 paise per kg.
5. The West Bengal Entry Tax on Tea should be abolished.
6. Hire Purchase Loans should be allowed to be repaid over a period of ten years instead of seven as at present.
7. The interest on plantation finance loans should be restricted to 4 per cent during the first 5 years and the balance of the interest due for this period at 6 per cent may be recovered during the next two years.
8. All lands suitable for tea plantation within the existing grants of tea gardens should be exempted for at least some years from resumption or requisition by the State Governments unless required for public projects of paramount importance. Applications from tea gardens for additional Government land for expansion of tea area should be favourably considered by the State Governments.
9. The price of fertilisers paid by tea gardens should not exceed the price payable by other agriculturists.
10. The Committee endorsed the recommendation of the Working Group on Plantations Labour Housing that a subsidy of 25 per cent of the cost of labour houses should be provided to the tea industry on the lines of the Industrial Housing Scheme.
11. Tea cess should be levied on all teas produced at the rate of 4 paise per kg. with effect from April 1, 1966.

The report is receiving the consideration of the Government of India, whose reactions are now awaited by the Industry.

Tea Plantation Finance Scheme.— In February 1964 the Tea Board announced that loans granted under the Tea Plantation Finance Scheme would in future be disbursed in the following revised instalments:—

Instalment	Per Hectare	
	Plains gardens Rs.	Hill gardens Rs.
1st	... 3,700/-	4,950/-
2nd	... 1,300/-	1,350/-
3rd	... 1,200/-	1,200/-
4th	... 1,200/-	1,200/-
5th	... —	1,200/-
Total	... 7,400/-	9,900/-

In December, 1964, the Board announced that the rate of interest on loans under the Tea Plantation Finance Scheme had been reduced from 7 per cent per annum to $6\frac{1}{2}$ per cent per annum, with a rebate of $\frac{1}{2}$ per cent for punctual payments.

Irrigation Schemes for Tea Gardens.— When the Tea Board's Tea Machinery Hire Purchase Scheme was extended to cover the purchase of irrigation equipment in 1962, the Board indicated that assistance under the Scheme could not be provided for catchment work—such as the construction of dams—which might be necessary to provide reservoirs of surface water. As it was considered that tea gardens would not be able to take advantage of the assistance available unless some arrangements could be made for the provision of water supplies to work their irrigation schemes, the Association suggested that the State Governments might be asked to provide finance for the purpose.

Last year the Tea Board indicated that the Government of West Bengal appeared to be prepared to sink deep tube wells, the cost of which would be recovered from consumers through a water rate. When Government was asked to indicate what the water rate would be, the Board was informed that the cost of sinking a deep tube well would be about Rs. 1,07,000/- but that Government could not undertake the responsibility of sinking the wells.

In September, however, the Tea Board announced that the Tea Plantations Finance Scheme had been extended to cover loans for the purposes of sinking deep tube wells, constructing reservoirs, dams etc. ; that a sum of Rs. 1 crore had been allocated for such loans; and that loans under the Scheme would be subject to a maximum of Rs. 1 lakh per estate.

The loans would bear interest at the rate of $6\frac{1}{2}$ per cent with a rebate of $\frac{1}{2}$ per cent for punctual repayment and would be repayable over a period of eight years commencing from seventh anniversary of the date of disbursement of the first instalment of the loan. Details of the scheme were made available to members in Circular No. 98 dated 10th September, 1964.

Monopolies Inquiry Commission.— The Monopolies Inquiry Commission which was set up by the Government of India under the Chairmanship of the Justice K. C. Das Gupta of the Supreme Court, issued a special questionnaire in October to certain Associations and a general questionnaire to a number of companies, including tea companies none of whom were members of this Association.

The Association submitted a completely factual reply to the special questionnaire.

As far as the general questionnaire was concerned, the Consultative Committee of Plantation Associations suggested to the Commission that tea companies should be excluded from the enquiry because the Industry consisted of a large number of

units, a substantial percentage of which had made losses over the past few years. The Chairman of the Commission was unable to accept the suggestion and pointed out that only a few tea companies with net tangible assets amounting to rupees one core or more had been asked to reply to the questionnaire.

Central Budget 1964.— The main proposals of the Government of India's 1964 Budget of interest to the Tea Industry were the substitution of the Super Profits Tax by a new tax on profits to be known as a Surtax, which would be payable by a company at the rate of 40 per cent on so much of its chargeable profits as exceed the statutory deduction. In computing chargeable profits, total income is to be adjusted by deducting some specified income, profits and gains such as capital gains, dividends from Indian Companies, interest on tax free securities etc. From this adjusted total income both income tax and super tax payable by the Company (subject to certain adjustments) are to be deducted and any interest payable on debentures etc. is to be added. The balance is the chargeable profits for the purpose of this tax. Statutory deduction is defined as ten per cent of the capital of the company as specially computed or two lacs of rupees whichever is greater. In computing capital, Paid-up Share Capital, Reserves (including Development Rebate Reserves) and Debentures and specified loans are to be included. Indian Companies and Companies carrying on specified types of business (tea companies are included) who have arrangements for the declaration and payment of dividends in India are entitled to a rebate of 20 per cent of surtax.

Income tax rates remained unchanged at 25 per cent. The effective rate of supertax for all Indian private companies was increased from 25 per cent to 35 per cent though for tea companies and some others the rate was only increased to 29 per cent. For non-resident companies the rate of super tax was increased from 38 per cent to 40 per cent. Therefore non-

resident companies are now subject to a total tax on income other than dividends etc. at the rate of 65 per cent as against the previous rate of 63 per cent.

Taxation of Tea Companies having estates in Pakistan: Settlement of relief under Section 91(3) of the Indian Income Tax Act 1961.— Last year the Association made a representation to the Central Board of Revenue drawing attention to the anomalous position whereby, as a result of the existence of the Double Taxation Avoidance Agreement, tea companies having estates in Pakistan received less relief on their Pakistan income under Section 91(3) of the Indian Income Tax Act than they would have received if there had been no agreement.

When the Finance Bill 1964 was published it was noted that Government proposed to amend Section 91 of the Indian Income Tax Act to remove the anomaly to which attention had been drawn. The amendment would not, however, have any retrospective effect.

As the tea companies concerned had a number of applications for relief pending with the income tax authorities, the Association addressed the Government of India, Ministry of Finance suggesting that a proviso should be added to the proposed amendment which would make the concession now granted retrospective and applicable to all outstanding cases.

Assam Agricultural Income Tax.— The rates of Assam Agricultural Income Tax for the year commencing 1st April, 1964 were revised by the Assam Finance (Amendment) Act, 1964 as follows:—

- (a) Where the total income of the company does not exceed Rs. 1 lakh, on the whole of the total income 45 paise in the rupee.
- (b) Where the total income of the company exceeds Rs. 1 lakh but does not exceed Rs. 2 lakhs, on the whole of the total income—57 paise in the rupee.

- (c) Where the total income of the company exceeds Rs. 2 lakhs, on the whole of the total income—
66 paise in the rupee.

The previous rates were 45 paise on incomes below Rs. 1 lakh, 55 paise on incomes between Rs. 1 and 2 lakhs and 57 paise on incomes above Rs. 2 lakhs.

When the proposed increases were announced, the Consultative Committee of Plantation Associations submitted a memorandum, a copy of which is reproduced in the appendices to the report, to the Finance Department of the Government of Assam expressing the concern of the Industry over the proposals to increase once again the agricultural income tax rates, which had been enhanced on three occasions during the past three years. It was pointed out that the changes in the rates of tax made in 1962 had cost the industry some Rs. 66 lakhs that the 1963 changes had cost a further Rs. 50 lakhs; and that the new rates would involve an additional Rs. 20 lakhs. The Tea Industry was an export industry and it was necessary, if India's competitive position was to be maintained, that tea gardens should improve their methods of cultivation and carry out extensive programmes of replanting and replacement. It would only be possible for such improvements to be effected if the companies were left with sufficient funds for the purpose. Excessive taxation would deprive the Industry of much needed funds and nullify the ability of tea estates to expand. Government were therefore requested to withdraw their proposals to increase the rates of agricultural income tax.

It is regretted that Government were unable to accede to the Industry's request.

Assam Taxation (on goods carried by roads or inland waterways) Act 1961.—In last year's report it was recorded that the Assam High Court had declared that Assam Taxation (on goods carried by roads or inland waterways) Act, 1961 to be

ultra vires the Constitution of India but had granted the Government of Assam permission to appeal to the Supreme Court.

As the Supreme Court had later in another case declared the Act to be a valid piece of legislation it was decided that the Assam Government's petition and appeal to the Supreme Court should not be opposed. Members were therefore advised to take no action on the notice of motion which had been received by them in November from the Supreme Court in connection with the petition, which had been moved by the Government of Assam asking for a stay of the operation of the judgment and orders issued by the Assam High Court in Civil Rule No. 93 of 1961 and other pending cases.

Following the issue of the Supreme Court's judgment confirming the validity of the Act, tea estates in Cachar received notices from the Superintendent of Taxes, Karimganj calling upon them to pay tax under the Act from the 1st April, 1959. As the Industry had been assured when the new Act had been brought into force that tax would not be collected in respect of Cachar teas ; that the suspension which had been granted would be permanent; and that the matter would be regularised in due course, the Shillong Adviser was asked to invite the attention of the Commissioner of Taxes, Shillong to the notices issued by the Superintendent of Taxes and to request their withdrawal. In due course the Commissioner advised that the notices had been issued by the Superintendent through a misunderstanding and had been withdrawn.

A number of tea companies in the Assam Valley also received notices from their Superintendents of Taxes calling upon them to pay the taxes due from them under the Act.

The Association advised members that in cases where the Companies had previously secured an injunction from the Assam High Court they could suit their own convenience as to whether to pay the demands received by them on receipt or to inform the Superintendent that the Assam High Court's

injunctions had not been vacated and therefore payment was not due until that had been done.

West Bengal Taxes on Entry of Goods in Local Areas Act 1955.
—Tea companies, who maintain deposit accounts with the Commissioner of Commercial Taxes, West Bengal, for the payment of Entry Tax, are required to make deposits, which are sufficiently large to cover the tax estimated to be payable in three months, calculated on the basis of the previous year's crop.

As this involved the locking up of substantial funds especially during the peak season, the Association addressed the Commissioner during the year suggesting that he should re-examine the proposal which had been made by the Association when the tax had first been introduced, that Government should accept one twelfth of the estimated tax from each company at monthly intervals and make an annual reconciliation at the end of each year. A reply was received in due course from the Commissioner stating that the Association's suggestion had been carefully examined but could not be accepted for administrative reasons and in the interests of state revenue. If tea companies found it difficult to maintain deposits they could utilise the alternative method for the payment of tax and make payments on individual consignments at the time of clearance.

A further matter which was taken up with the Finance Department of the Government of West Bengal was the levy of entry tax on teas which were exported from Calcutta on an f.o.b. basis. Entry tax is not payable on direct shipment teas which are sent out on a consignment basis for sale at the London auctions and it was considered inequitable that the tax should be payable on teas which were exported on a f.o.b. basis. As teas which were exported were exempted from the payment of sales tax, Government was asked to consider amending the Act to provide for the exemption of all export teas from entry tax. A reply is still awaited.

Sales Tax.— (1) *Assam.*—By a notification dated the 16th March, 1964 the Government of Assam included "Green Leaf" in Schedule III of the Assam Sales Tax Act with the result that with effect from the 1st April, 1964 sales of green leaf became exempt from the payment of sales tax.

The Assam Sales Tax (Amendment) Act, 1964 which was published in the Assam Gazette Extraordinary of the 3rd August, 1964, was brought into force from the 1st September, 1964. The main effects of this Act were :—

- (a) Government was empowered to allow a rebate not exceeding one per cent of the tax in respect of any such item as may be specified by notification.
- (b) Tax could be claimed within a period of eight years instead of three years in cases where evasion or non payment of tax had occurred.
- (c) The general rate of tax was increased from 4 paise to 5 paise in the rupee.
- (d) The exemption from tax granted in respect of coal, coke or coal gas was withdrawn.

(2) *West Bengal.*—During the year it was reported to the Association by a member that while it had been possible to secure exemption under Section 6 of the Bengal Finance (Sales Tax) Act, 1941 from the payment of sales tax on spraying and irrigation equipment used in the cultivation of tea, it had not been possible to secure this exemption on spare parts purchased for the equipment. It appeared that the sales tax authorities had disallowed this exemption in respect of certain tractor parts on the grounds that the part could not "by itself be used as agricultural implements."

The stand taken by the sales tax authorities appeared to be inequitable because it seemed only logical that if the

main equipment was exempted from tax, no tax should be leviable on the spares purchased, where it could be conclusively proved that the spares were for use with the main equipment. The matter was accordingly taken up with the Commissioner of Commercial Taxes, who in due course replied that Section 6(1) of the Bengal Finance (Sales Tax) Act 1941 read with item 13 of Schedule I allowed exemption from sales tax on agricultural implements including agricultural tractors but that spare parts for such implements or tractors were not *per se* agricultural implements. Besides such spare parts were common both to agricultural machinery like tractors and other prime movers such as diesel engines etc. In the circumstances, spare parts for tractors and other agricultural machinery and implements could not be granted exemption under law in the absence of specific provision in the Act allowing such exemption.

(3) *Sales Tax on Tea Seed*.—It was reported to the Association that up to 1963 tea gardens in West Bengal had been permitted to issue Central Sales Tax declarations in respect of their purchases of seed from Assam and had thereby been able to obtain the benefit of the concessional rate of Central Sales Tax. The West Bengal Sales Tax authorities had, however, deleted "tea seed" from the registration certificates of all tea estates on the grounds that tea seed was not used directly in the manufacture of black tea, with result that they had now to pay Central Sales Tax at the rate of 10 per cent on their purchases of tea seed from Assam and West Bengal Sales Tax at the rate of 5 per cent on the purchases from West Bengal.

The Association, therefore, made a representation to the Finance Department of the Government of West Bengal suggesting that "tea seed" should be included in Schedule I to the Bengal Finance (Sales Tax) Act, 1941 so that tea gardens in West Bengal would be able to obtain their supplies of tea seed from West Bengal free of sales tax. It was pointed out

that the Government of India had called upon the industry to expand production and increase exports in the national interests and to this end to undertake an intensive programme of replacement of worn out areas and of extensions. The demand for tea seed would in the circumstances increase and it would be a measure of relief and encouragement to tea estates if tea seed could be purchased without the payment of sales tax.

The Association also referred the matter to the Tea Board and asked the Board to make representations to both the Assam and West Bengal sales tax authorities to exempt tea seed from the payment of sales tax. It was pointed out that while tea seed was not directly used in the manufacture of black tea it was the basic commodity of the tea industry and as such an item on which exemption from sales tax might most suitably be granted. The State Governments' policy of granting special concessions to agriculture in the matter of sales tax was reflected in the exemptions already embodied in their respective Sales Tax Acts; and having regard to the country's need for an increase in the tea crop there appeared to be every justification for them to exempt "tea seed" from sales tax by including the item in the respective schedules to their Acts.

(4) *Committee on Sales Tax*.—The report of the Committee on Sales Tax became available during the year.

The Assam Urban Immovable Property Tax Act 1963.—In last year's report it was recorded that the Association had asked the Tea Board to make representations to the Assam Government suggesting that tea estates should be excluded from the purview of the Assam Urban Immovable Property Tax Act. The matter was taken up by the Tea Board but up to the time of writing no decision has been taken by the Assam Government.

In the meantime various notifications were issued under the Act fixing the boundaries of the Town Committees. Some

of these notifications included areas covered by tea gardens with the result that the estates received demands from the Superintendent of Taxes for tax under the Act. The estates have been advised to pay the taxes under protest until the general question of exemption can be settled.

LABOUR

Industrial Committee on Plantations.—The eleventh session of the Industrial Committee on Plantations was held in New Delhi on the 30th and 31st October, 1964 and the Association was represented at the conference by Mr. H. K. FitzGerald, Mr. S. G. B. Brown, and Mr. P. Crombie, M.B.E. as delegates, and Mr. G. E. Stevenson, Mr. A. N. Banerjee, and Mr. J. S. Hardman as advisers.

The principal subjects considered at the meeting were as follows :—

- (1) *Working Group on Plantation Labour Housing.*—It was recommended that the recommendations of the Working Group should be accepted by the Government of India.
- (2) *Tea District Emigrant Labour Act.*—The general view was that the Act was outmoded and should be repealed. It was agreed that the Ministry of Employment and Labour would consult the Ministry of Labour and take such action as was considered appropriate.
- (3) *Employment position on tea plantations.*—It was agreed that a senior officer of the Ministry of Labour and Employment would constitute an one-man fact-finding Committee to enquire into the allegation of intensification of workloads and of related facts. Employers agreed to continue their undertaking to give workers' dependents preference in recruitment.
- (4) *Retirement benefits.* It was agreed that the views of the labour representatives regarding the adoption of gratuity scheme and a uniform rate of contribution to the provident fund should be referred to the Department of Social Security.

- (5) *Discharge or eviction of the entire family for misconduct by one member.*—It was agreed that the Plantations Labour Rules should make provision for penal action in cases where workers, whose services had been terminated, continued to reside on the estate beyond the prescribed period in a house where no other working member of the family remained.

Wage Board for the Tea Plantation Industry.— The Wage Board for the Tea Plantation Industry which had been set up in 1960 under the Chairmanship of Mr. L. P. Dave held a total of six meetings during 1964. Earnest efforts were made to reach a settlement but the labour representatives insisted that a final recommendation was not possible until the Supreme Court had given judgement in a Tribunal case which was pending before it and which involved tea estates in South India. As judgement was likely to be long delayed, the labour representatives pressed for a second interim increase of wages. The North Indian employers' representatives were of the opinion that no increase was justified, and it was only after much discussion and under some pressure that they eventually accepted a second interim wage increase. The Labour representatives were not satisfied with the increase proposed and only confirmed their acceptance on the 10th June. At the Board meeting held at the end of June discussion took place as to the date of implementation of the interim increases. In the case of South India it was agreed that the increases should be effective from 1st May. Labour claimed that the second interim increase for North India should similarly be effective from 1st May, but employers considered that the increase should be effective from the date of their acceptance by the labour. After some hesitation the 10th June, 1964 was accepted by the labour. The Government of India issued the relevant notification on the 2nd September, 1964 and a copy is reproduced in the appendices to this report.

The interim wage increases for North East India were as follows :—

Daily rated workers

	<i>Men</i>	<i>Women</i>	<i>Children</i>
Assam (Lakhimpur, Sibsagar and Darrang Districts)	0.10 P.	0.09 P.	0.05 P.
Assam (Nowgong, Goalpara and Kamrup Districts)	0.09 P.	0.08 P.	0.05 P.
Assam (Cachar)	0.07 P.	0.06 P.	0.03 P.
Dooars, Terai and Darjeeling	0.06 P.	0.05 P.	0.03 P.
Tripura	0.07 P.	0.06 P.	0.03 P.

Clerical and Medical Staff except Dhais,—

All to be granted one additional increment in scale *plus* a lump sum of :—

Assam (including Cachar)	...	Rs. 10 p.m.
Dooars and Terai	...	Rs. 3 p.m.
Darjeeling	...	Rs. 5 p.m.

Dearness allowance to be paid on the additional increment but not on the lump sum.

Artisans (Assam including Cachar).—

All to be granted one additional increment in scale *plus* a lump sum of :—

Grade A	...	Rs. 10 p.m.
Grade B	...	Rs. 5 p.m.
Grade C	...	Rs. 3 p.m.

Dearness allowance to be paid on the additional increment but not on the lump sum.

Others,—

- (a) Supervisory Staff (Sirdars) in Assam Rs. 5 p.m.
- (b) Non-Supervisory monthly rated Staff in Assam. Rs. 3 p.m.

(c) Dhais in Assam	Rs. 5	p.m.
(d) School Teachers in Assam ...	Rs. 10	p.m.
(e) Monthly rated workers including Supervisory and Technical Staff :		
in Dooars and Terai ...	Rs. 7.50	p.m.
in Darjeeling ...	Rs. 5	p.m.
(f) Non-Supervisory Staff in West Bengal (Malis, Sweepers, etc.) ...	Rs. 2	p.m.
(g) All Watchmen in West Bengal	Rs. 2	p.m.

Arrears were paid by the 29th September, 1964, i.e. within 21 days of receipt of Government's notification.

The employers were represented on the Board during the year by Mr. J. B. Soutar of U.P.A.S.I., and Mr. B. C. Ghose of I.T.P.A. with Mr. P. Crombie of the Indian Tea Association as their official adviser. The Industry's thanks are due to these gentlemen for the work which they have done.

Standing Labour Committee for Tea Plantations in Assam—

The twenty-second session of the Standing Labour Committee for Tea Plantations in Assam was held in Shillong on the 1st and 2nd May, 1964 and the Association was represented at the Conference by Mr. S. G. B. Brown, Mr. F. L. Knights, Mr. P. V. Wallerstein, Mr. A. T. A. McIntosh-Smith, Mr. P. J. Parr, Mr. J. E. Atkins, Mr. K. N. Sircar and Mr. J. S. Hardman.

The principal subjects considered at the meeting were as follows :—

- (a) *Labour Housing*.—The employers' representatives explained the reasons why it had not been possible for estates to fulfil the housing targets laid down under the Plantation Labour Rules and to build houses to the revised Assam Government specifications. Government were urged to study the report of the Working Group on housing which had just become available.

and to consider what assistance could be given to the Industry in the light of the Working Group's recommendations.

(b) *Establishment of Co-operatives or Fair Price Shops.*—

The Employers' representatives declined to accept responsibility for opening Fair Price Shops on tea estates. Estates already supplied foodgrains to their workers at fixed rates and they were not prepared to undertake the supply of other scarce commodities.

As far as co-operatives were concerned, it was the responsibility of the workers to organise such stores and assistance from employers should not be expected.

(c) *Taking over of tea garden schools.*—It was agreed that tea estates should hand over to Government the existing school buildings and the land on which the buildings stood. The estates would provide additional school buildings required within three years of the hand over but thereafter all further expansion would be the responsibility of Government.

As regards existing school teachers, it was agreed that tea estates would retain responsibility for providing foodstuffs, firewood, issue of tea and housing facilities as long as the incumbent remained employed in the school on the estate. A Sub-Committee, which included Mr. Atkins, was set up to consider the problem of bonus and travelling allowance for such teachers.

(d) *Issue of dry tea to labour.*—The labour representatives pressed for uniformity in the issue of dry tea to labour. It was agreed that Employers should examine the proposal and indicate what they would be prepared to recommend.

- (e) *Supply of Rice.*—Attention was drawn to the unsatisfactory stock position on tea estates and Government was urged to arrange for the immediate release of further supplies of rice.
- (f) *Servant allowance.*—A demand for an increase in servant allowance was opposed by the employers' representatives and the Labour Minister decided that the dispute should be referred to a tribunal
- (g) *Firewood.*—The labour representatives complained that employers had made no arrangements for the issue of firewood to the extent agreed at the meeting of the Standing Labour Committee held in June, 1963. When it was explained that the agreement only provided for firewood to be made available and for an alternative fuel to be supplied when firewood was not available, the labour representatives urged that the dispute should be referred to a Tribunal.

The twenty-third session of the Standing Labour Committee for Tea Plantations in Assam was also held in Shillong on the 3rd and 4th December, 1964. The Association was represented at this Session by Mr. P. V. Wallerstein, Mr. P. Crombie, Mr. K. N. Sircar and Mr. J. S. Hardman. The Assam Branch representatives could not attend owing to the critical food situation prevailing at the time.

The main subjects discussed at this meeting were as follows :—

- (a) *Co-operative Stores for tea estates.*—As the Government of India appeared to be contemplating the enactment of legislation for the establishment of fair price shops the employers representatives regretted their inability to commit themselves to granting financial support to co-operatives on tea estates

(b) *Taking over of Schools.*—It was agreed that the Employers Associations should submit their views in writing to Government on the question of Bonus and Travelling Allowance for school teachers who would be transferred to Government when tea estate schools were taken over.

(c) *Annual leave for clerical staff.*—The labour representatives proposed that annual leave for clerical staff should be increased from 15 days to one month. They also requested that in calculating leave, Sundays and holidays should be excluded. As prior notice had not been received of this item it was decided that the proposals should be discussed with the Unions in Calcutta in the first place.

Bonus Commission.—The Bonus Commission signed its report, which included a minute of dissent by Mr. N. Dundekar, the Employer's representative, on the 18th January, 1964. The recommendations were that 60 per cent of a company's "available surplus" (67 per cent in the case of foreign companies) should be distributed as bonus *pro rata* to workers' earnings, each worker to receive a minimum bonus of 4 per cent of his annual earnings (basic wage plus dearness allowance) or Rs. 40, whichever was higher. The maximum bonus admissible was 20 per cent of the worker's earnings. Provision was also made for "set on" and "set off" when the available surplus in any year fell below the amount required to meet the minimum bonus or was in excess of the amounts needed for the maximum bonus. In a minute of dissent, Mr. Dundekar proposed, among other things, that in respect of plantations the minimum bonus should be 2 per cent of each worker's earnings.

From a detailed study of the Commission's recommendations, it became clear that the provision relating to minimum bonus would have very adverse effects on the Industry, as in a normal year the majority of estates would have to pay the

minimum bonus of Rs. 40 which was equivalent to 6 to 8 per cent of workers' earnings. The Bonus Commission had included a recommendation in its report that the North East India Tea Plantations Bonus Agreement, 1961 should be renewed by mutual agreement, but this recommendation was nullified by the Commission's statement that it did not see it fit to exempt plantations from its general bonus formula, including the high minimum provided, in the absence of such agreement.

In view of the grave adverse effects which the Bonus Commission's recommendations would have on the Industry, the Consultative Committee submitted a representation to the Government of India, Ministry of Labour—a copy of which is reproduced in the appendices to this report—giving detailed reasons why the "Bombay Formula" type of bonus was unsuitable to the Tea Industry. It was explained that the Bonus Commission's recommendations would involve an 8 per cent increase in the wage bill as most companies in a normal year would have to pay bonus at Rs. 40 per worker. The Commission's recommendations for calculation of "available surplus" did not take into account the special circumstances of the Tea Industry. Government were urged, therefore, not to accept the Bonus Commission's recommendations in so far as the Tea Industry was concerned, but to recommend instead the renewal of the North East India Tea Plantations Bonus Agreement, which provided for the distribution of a direct percentage of profits before taxation to the workers and which therefore placed no unfair burdens on companies making a loss.

In a notification dated the 2nd September, the Government of India announced its general acceptance of the Bonus Commission's recommendations subject to certain amendments : —

- (a) all direct taxes should be deducted as prior charges in calculating "available surplus".

- (b) tax concessions given to provide resources for future development should not be utilised to give larger bonuses.
- (c) the return on preferential share capital would be allowed at the actual rate ; on paid up equity capital at 8.5 per cent (taxable) ; and on reserves at 6 per cent (taxable)- in the case of establishments other than banks.
- (d) the Commission's formula would apply to all payments due from 1962.

Government also announced that legislation would be introduced to give effect to the Commission's recommendations.

Representatives of the Consultative Committee met the Labour Minister of the Government of India on the 19th September and handed over a memorandum in which Government was urged most strongly to omit provisions for the payment of minimum bonus from any contemplated legislation. If this were not possible, minimum bonus should be fixed at not higher than 2 per cent of earnings, as recommended by Mr. Dandekar. A delegation also waited on the Prime Minister of India and urged that the provision for the payment of minimum bonus should not be applied to the Tea Industry. If this request could not be conceded, the Rs. 40 minimum should not be applied and the minimum bonus should not exceed 2 per cent of earnings. The Prime Minister gave the delegation a sympathetic hearing and suggested that the matter should be taken up with the State Labour Ministers, who should be requested to persuade the labour, if the facts were as represented, to accept an alternative agreement for the payment of bonus in the Tea Industry.

The draft Payment of Bonus Bill was discussed at the meeting of the Standing Labour Committee held at New Delhi in December and a Sub-Committee consisting of the Labour

Minister and two representatives each of employers and the labour was set up to give detailed consideration to the Bill. The Sub-Committee, however, could not arrive at any agreement, and it was decided that Employers would submit their views on the Commission's formula to Government in writing.

The Consultative Committee of Plantation Associations again took the opportunity of submitting its views to the Ministers of Employment and Labour and of Commerce.

The North East India Tea Plantations Bonus Agreement, 1961.

—(1) *Bonus Sub-Committee.*—A meeting of the Bonus Sub-Committee was held on the 12th February, 1964 and was attended by the Hon. S. P. Sinha and Mr. P. Crombie on behalf of the Association.

The main points discussed at this meeting were :—

- (a) *Income from outside investments, development rebate, etc.*—In last year's report it was recorded that the Government of India had been asked for an opinion on the Industry's contention that development rebate should be included and investment income and income earned outside the area should be excluded in the calculations of profit for bonus purposes. The employers' representatives did not accept the Government opinion and it was agreed that the matter should be referred to a Judge for decision provided that it was clearly understood that he would be bound by the terms of the Bonus Agreement of 1961, and would not under his terms of reference be empowered to suggest any modifications thereof.
- (b) *Minimum Bonus.*—It was agreed that the interpretation of Clause 11 of the Bonus Agreement suggested by the Trustees of the West Bengal Plantation Workers Bonus Fund at their meeting in October last year should be accepted.

(c) *Unclaimed Bonus*.—Bonus which remained unclaimed for six months should be credited to the appropriate Pool but withdrawals of small amounts on application by individual workers would be allowed at the Chairman's discretion.

(2) *West Bengal Plantation Workers Bonus Fund*.—The applications received from companies, which had suffered losses in 1961 or had made insufficient profits, were examined but payments were held pending because the assistance asked for was far in excess of the amounts so far deposited by the profit-making gardens and also because until all the estates covered by the scheme had submitted returns it was not possible to ascertain what funds would be available from previous years' deposits towards the 1961 payments. When in spite of several reminders, returns could not be obtained from the defaulting estates, a financial report was placed before the Trustees of the Fund who agreed that the 1961 claims should be met to the extent of 65 per cent. Payments are being made accordingly.

Bonus for 1962.— The North East India Tea Plantation Bonus Agreement, 1961 expired with the payment of bonus for that year. As it was expected that some time would elapse before any decisions could be taken by the Government of India on the Bonus Commission's report, it was suggested at the meeting of the Bonus Sub-Committee held in February that the Agreement should be renewed for one year with such modifications as might be mutually agreed upon. The Labour representatives, however, made it clear that they were unwilling to extend the 1961 Agreement and that they wished the whole matter to be considered *de novo*.

A meeting was convened in August by the Deputy Labour Commissioner, West Bengal, to consider the matter further and was attended by Mr. P. Crombie, Brigadier F. H. Stevens, and Mr. R. C. Mazumdar on behalf of the Association. The labour representatives pressed for advance payments to be

made on all estates on account of bonus for 1962. The employers' representatives offered to pay, as an advance of bonus, the amount that would have been due if the 1961 agreement had remained in force. Where the amounts payable did not amount to a minimum of Rs. 10 per worker, Rs. 15 per subordinate staff or Rs. 25 per member of the clerical and medical staff, the estates would make up the difference as an advance of pay to be adjusted according to garden practice in succeeding months. These payments would be without prejudice to any new bonus agreement.

These proposals were not acceptable to labour and as no agreement could be reached the meeting was adjourned. Subsequently various meetings were held, under the Chairmanship of Mr. R. J. T. D'Mello, Regional Labour Commissioner, Government of India, and it was not until the 9th September—the meetings were attended by Mr. H. K. FitzGerald and Mr. P. Crombie—that a compromise solution was eventually found which was acceptable by all. The agreement was as follows :—

		Loss Gardens	Inadequate Profits	Adequate Profits
		Rs.	Rs.	Rs.
Labour	...	20	25	40
Sub-Staff & Monthly rated Workers in				
West Bengal & Tripura		25	30	45
Clerical & Medical Staff (& Artisans in Assam)		30	40	65

It was also agreed that in the case of Cachar any payments already made on account of 1962 should be deducted ; that the dates of payment would be similar to those in 1963 ; that in the case of loss gardens payments might be made in two instalments, the second being paid before 26th January, 1965.

A formal Agreement, a copy of which is reproduced in the appendices, was signed the next day by all the members of the Bonus Sub-Committee.

A guidance note was issued in Circular No. 108 dated the 24th September, 1964 advising members of the method which would have to be followed in determining which category an estate came under for the purposes of the payment of bonus but other difficulties arose and were clarified as follows :—

- (a) The minimum qualification for entitlement to bonus was 30 days work. Temporary workers were also eligible for bonus.
- (b) Days on which the full minimum wage was earned should be treated as full days and days on which less than the full minimum wage was earned should be treated as half days. Privilege leave, maternity leave with pay, and casual and sick leave with pay, would count as days worked.
- (c) Bonus may be withheld to workers dismissed for "riotous or violent behaviour on the premises, theft, fraud, misappropriation or sabotage of the property of the concern."
- (d) Where the balance sheet profit was converted into a negative surplus under the formula prescribed by the Bonus Commission, the estate would pay bonus as one having "inadequate profits."
- (e) As the payment of bonus under the Agreement was only an "on account" payment it was only necessary for companies to supply the Unions with copies of their audited balance sheets and profits and loss accounts.
- (f) Bonus payments to the heirs of deceased workers or to workers who are no longer in service should,

pending the finalization of a new agreement, be made in accordance with past practice.

Working Group on Plantation Labour Housing.— The report of the Working Group on Plantation Labour Housing was made available to the Producer Associations towards the end of April, 1964. The main recommendations were:—

- (a) The Plantation Labour Housing Scheme should be modified to provide for the grant of subsidies to the extent of 25 per cent of the cost and of loans to the extent of 50 per cent of the cost of houses.
- (b) Depreciation in respect of expenditure on houses should be increased. This depreciation should also be allowed in connection with agricultural income tax.
- (c) The 8 per cent target should be adhered to as far as possible but exemptions might be granted in specific cases on merit.
- (d) Panchayats should not levy tax on tea garden houses.
- (e) Housing specifications should not be increased so as to increase costs.
- (f) Rebates on income tax should not effect the quantum of bonus to the workers.
- (g) Loans should be expeditiously sanctioned and bank guarantees should be accepted.
- (h) A reasonable balance should be maintained between expending money on development projects and on labour housing.
- (i) There appear to be a case for rationalising the existing high rates of dividends paid by certain companies to provide more funds for labour housing while ensuring a fair return to shareholders.

- (j) Local materials might be used where specified building materials were not available. Funds not utilised in any year owing to a shortage of materials should be carried forward to subsequent years.

After a careful study of the Working Group's report the Consultative Committee of Plantation Associations submitted a memorandum, which is reproduced in the appendices to this report, to the Government of India, Ministry of Labour, stating that while the Group's report and recommendations were considered generally helpful and realistic attention had to be drawn to certain observations and proposals which were based on wrong or inadequate information and which were detrimental to the Industry's interests.

The Consultative Committee pointed out that overhead charges could not be curtailed by decreasing remuneration to managing agents nor could the salary structure of the managerial cadre be rationalised further without affecting efficiency.

The Working Group's view, that there was room for rationalising the existing high rates of dividends paid by some companies, did not take into account the fact that in the case of tea companies the continuous ploughing back of profits and the development of field assets are not reflected in their capital structure. There was a wide variation in the relationship between the nominal equity capital on which the dividend rates are expressed and the actual capital at work. A proper appreciation of the size of the return or the prosperity of the industry could not be obtained if reliance was only placed on the figures of percentages of dividends declared.

Other points made were that most tea companies were not in a position to increase indebtedness by borrowing further ; that the rates of depreciation recommended fell far short of what was required ; and that conditions obtaining when the 8 per cent target had been fixed had materially altered and the

Industry could not therefore be expected to achieve such a high target.

The Working Group's report was discussed at the meeting of the Industrial Committee on Plantations held in October when it was recommended that the report should be adopted by Government. Government's orders are still awaited.

Specifications for Labourers Houses in Assam.— Last year's report gave details of the amendments which the Government of Assam had made in the housing specifications for labourers' houses and the representations which had been submitted to Government explaining how impossible it would be for tea estates to build houses to these specifications and yet achieve the targets laid down in the Plantations Labour Rules.

Towards the end of January the Hon. S. P. Sinha, on behalf of the Consultative Committee of Plantation Associations, had an interview with the Chief Minister of Assam when a memorandum was placed before him covering a number of subjects including the difficulties of tea estates in complying with the revised housing specifications. It was explained that the 8 per cent target had been fixed when the cost of constructing a kutchra house was approximately Rs. 300 and a pucca house was Rs. 1,000. The cost of building a two roomed house to the new specifications was estimated at Rs. 5,100, and estates could not therefore continue building houses to the prescribed target each year. Materials had been difficult to obtain and the new specifications would involve a substantial increase in the use of materials which could therefore be expected to be in short supply. It was suggested that Government should keep the new specifications in abeyance and permit the Industry to put forward alternative plans for Government's consideration.

At the Assam Standing Labour Committee meeting held in May the Industry's representatives again explained tea estates' difficulties on constructing houses to the revised specifications.

and urged that the matter should be discussed after Government had had an opportunity of studying the report of the Working Group on Labour Housing. The Labour Minister stated that it would not be possible for the Government to reduce the housing specifications but as the Working Group had recommended subsidies and loans a change in the present position could be expected once the report was adopted and implemented.

Assam Tea Plantations Employees Welfare Fund Act. —The Assam Tea Plantations Employees Welfare Fund (Amendment) Act, 1964, which received the assent of the Governor on the 13th May, 1964, was published in the Assam Gazette Extraordinary of the 15th May, 1964. The main effect of the Act was to give powers to Government to determine the size of the Welfare Board.

By a notification dated the 8th September, 1964, Government amended Rule 9 of the Assam Tea Plantations Employees' Welfare Fund Rules to provide for the nomination of three representatives each of employers and employees and three members of the Assam Legislative Assembly on the Welfare Board.

The Welfare Board constituted in 1963 was dissolved by a notification dated the 21st October, 1964 and a new Board was constituted in its place. Mr. E. H. Hannay was included as one of the Employers' representatives on the Board but as he was unable to accept the nomination owing to his various commitments, Government was asked to nominate Mr. F. L. Knights to take his place on the Board.

Labour Welfare : Assam.—(1) *Rowriah Welfare Training Centre.*—Three training courses were held during 1964 at the Rowriah Welfare Training Centre and Agency Houses were asked to provide twenty-five candidates for each course from the gardens under their control.

(2) *Mazengah Training Centre for Women.*—Two courses were held at the Mazengah Training Centre during 1964 and Agency Houses were asked to provide sixteen candidates for each course from gardens under their control.

Supply of Firewood for Labour.—(1) *Assam.*—In last year's report it was recorded that agreement had been reached at meetings of the Assam Standing Labour Committee that managements would make available to the labour 16 cu.ft. of firewood per household per month and that where firewood was not available to the agreed extent, the balance could be made up by the *pro rata* issue of kerosene oil at the rate of one hundred fluid ounces per week per family with effect from the 1st July, 1963.

The implementation of this agreement was delayed for various reasons outside employers' control and the Association agreed that compensation should be paid where estates had neither been able to make firewood available during the period 1st July, 1963 to 31st December, 1963 nor had been able to arrange alternative supplies of kerosene oil.

Initially it was proposed that compensation should be paid in the form of national savings certificates or additional contributions to the provident fund ; but it was subsequently decided, at the insistence of the Union, to pay cash compensation.

At the meeting of the Standing Labour Committee held in May the labour representatives complained that managements were not implementing the agreement on firewood. They contended that it was incumbent on managements to issue the agreed quantum of firewood and that the present practice of requiring workers to collect their own firewood could not be considered to be a fulfilment of the agreement. The employers' representatives argued that under the agreement estates were only required to make firewood available, and that it was the responsibility of the workers to collect their supplies. Where supplies were deficient and the labour were unable to

collect the agreed quantum estates would arrange for the alternative supply of kerosene oil.

Despite prolonged discussions, the opposing views of the labour and the employers could not be reconciled and the labour representatives urged that the matter should be referred to a Tribunal. This suggestion was not acceptable to the Chairman of the meeting, who agreed to record the labour's views ; but suggested that the Unions should endeavour to remove the difficulties experienced by negotiation.

(2) *West Bengal*.—As the establishment of fuel baries appeared to be the only solution to the problem of the shortage of firewood, the Association had asked the Tea Board to press the West Bengal Government for an assurance that they would not take over fuel baries established by estates to meet the firewood needs of their workers.

No specific reply was given on this point by the Government of West Bengal and further representations continued during the year. Finally a detailed memorandum was submitted to the Government of West Bengal incorporating the various matters which had been under discussion. Government was asked to give an assurance that fuel baries on tea estates' lands would not be taken over ; to arrange for the return of all tea garden forest lands taken over by Government ; to allow tea estates to work their own fuel baries and forest lots as they wished, provided that re-forestation was undertaken ; to allocate fuel lots in accessible areas only. Government was advised that the Association could not undertake the responsibility of distributing firewood to members, or of working of fuel lots. Experiments with alternative fuels were being undertaken but high costs and the fact that labour were averse to fuel other than firewood were factors likely to prevent any early change.

Issue of Dry Tea to Labour.— Tea gardens in Assam issue liquid tea to their labour and most of them also issue dry tea.

As there was no uniformity in the quantum of issue, the labour representatives at the meeting of the Assam Standing Labour Committee held in May urged that a standard procedure should be laid down. The Employers' representatives were requested to put forward their recommendations to Government for consideration at a subsequent meeting. The matter is being considered in consultation with the Assam Branch and the sister Associations.

Provident Fund.— (1) *Assam.*—The Association continued to be represented on the Board of Trustees of the Assam Tea Plantations Provident Fund by the Shillong Adviser.

At a meeting of the Assam Standing Labour Committee held on the 1st and 2nd May the labour representatives suggested that the rate of contribution should be increased from 6½ per cent to 8 per cent. This proposal was opposed by the employers' representatives and it was eventually agreed that the matter should be held in abeyance until such time as the Government of India increased the rate of subscription on tea plantations under the Employees Provident Fund Scheme.

Towards the end of the year the Assam Tea Plantations Provident Fund Scheme prepared a draft pension and gratuity scheme to be financed out of the undistributed surplus in the interest account. This account now stands at Rs. 75 lakhs and it is estimated that it will increase by Rs. 22 lakhs annually.

Under the Scheme it is proposed that members of the Provident Fund who attain the age of 60 years and who have been members for ten years should be paid a retirement gratuity of 20 per cent of their Provident Fund balances, subject to a minimum of three months' wages for those with ten years' membership and 6 months' wages for those with twenty years' membership or over.

Separate provision has been made for the payment of a gratuity to dependants in the event of the decease of a member

of the Provident Fund, the benefit varying according to the length of membership of the Fund, being three months' wages for those with ten to thirteen years' membership and a minimum of nine months' wages for those with thirty years' membership.

The scheme contemplates the eventual introduction of pension benefits which will only come into force in 1980. Pensions for five years, varying from Rs. 15/- per month to Rs. 18/- per month according to the length of service, are proposed for those whose average contribution was Rs. 72 per year.

The scheme is due to be considered by the Trustees of the Provident Fund at their next meeting to be held in February, 1965.

(2) *West Bengal*.—Several amendments were made to the Scheme under the Employees' Provident Fund Act, 1952, the most significant being the amendments to paragraphs 30 and 38 which provided for administrative and inspection charges to be calculated as a percentage of the wages of the employees, who were members of the Fund, instead of on the basis of the total of the employers' and employees' contributions.

The rates of administrative charges in respect of industries covered by the Act, where the contribution was at the rate of 6½ per cent and 8 per cent were 3 per cent and 2.4 per cent respectively and the administrative charges were calculated on the total amount of the employees' and employers' contributions. As a result of the amendments mentioned above, the rate of administrative charges was fixed at 0.37 per cent of pay (basic wages, dearness allowance, retaining allowance, if any, and cash value of food concessions admissible thereon) with effect from 1st October for all covered industries.

Medical Services on tea estates.—Under the Plantations Labour Rules, tea gardens are required to submit periodical returns

showing the progress being made by them in the matter of providing medical facilities to their staff and labour. The standards reached by members at the 31st December, 1963 are recorded for information :

	Members' Standards as at 31-12-63	Plantation Labour Rules Standards
	(Per Thousand Workers)	
Hospital beds	... 34.87	15.00
Doctors	... 1.30	0.57
Midwives	... 1.54	0.57
Nurses	... 1.78	1.43
Compounders	... 1.40	0.57
Anti Malaria/Health Assistants	... 0.77	0.48

Group Hospitals.— (1) *Assam Valley.*—At a meeting of the Assam Medical Advisory Board held on the 26th September, 1963 it was proposed that group hospitals should be established on a zonal basis in Assam and that a scheme should be drawn up by the Association in respect of member estates.

In pursuance of this decision Dr. A. Gilroy, the Association's Medical Adviser, in consultation with a panel of doctors and the Assam Branch prepared proposals, which envisaged the utilisation of existing Central Hospitals and the upgrading of certain garden hospitals.

These proposals received detailed study by the General Committee as well as by the Indian Tea Association, London. Guiding principles in respect of the financial implications of the proposals were also drawn up and approved.

The proposals were then circulated to Tea Companies concerned, who were asked to obtain the confirmation of their

Boards to their hospitals being included in the proposals to be submitted to the Assam Government. The Boards were also asked to confirm their acceptance of the proposals agreed upon for financing such expenditure as may be necessary for the implementation of the proposals envisaged.

To deal with any proposals or suggestions that might be put forward by the companies in connection with the scheme, a Co-ordination Sub-Committee consisting of Mr. H. K. FitzGerald, Mr. E. H. Hannay, The Hon. S. P. Sinha and Sir Richard Duckworth, Bt. was set up.

Copies of the scheme were also circulated to Agency Houses and they were asked to supply the Association with a list of their gardens showing the Group Hospital to which each garden could most suitably be attached.

Confirmation is still awaited from the Boards of the Companies to which the proposed Group Hospitals belong that they are prepared to allow the linked estates to utilise their hospitals.

(2) *Cachar*.—In June, 1964 the Surma Valley Branch in common with other Associations with interests in Assam received a letter from the Labour Department of the Government of Assam calling for proposals for the establishment of Group Hospitals on a zonal basis.

Last year in response to a circular issued by the Chief Inspector of Plantations to all tea estates in Cachar calling upon them to establish Group Hospitals, the Association replied stating that tea estates in Cachar were uneconomical and could not afford to establish Group Hospitals. A similar reply was therefore sent by the Branch to the Labour Department and it was suggested that the needs of the district could be adequately met by the following arrangements :—

- (a) Tea estates in the neighbourhood of the Labac Central Hospital should be required to support this hospital,

- (b) Tea estates which for geographical considerations were unable to make use of the Labac Central Hospital should be permitted to use the existing Government Hospitals at Silchar and Karimganj as also the Alipur Mission Hospital and the hospital at Hailakandi. The proposed Medical College Hospital at Silchar might also be used.

Government's reactions are still awaited.

Tea Estate Hospitals : Cachar.—In a letter dated the 6th July, 1964 the Medical Inspector of Plantations Labour, Assam asked the Surma Valley Branch for its views on the proposal that had been made at the last meeting of Assam Medical Advisory Board that tea garden hospitals in Cachar should be taken over and run by Government with the aid of a cess to be paid by the estates concerned.

In reply the Branch stated that by and large, hospitals on estates in the membership of the Association were of fairly adequate standard and no action was called for in respect of them. For gardens with no hospitals or very poor hospitals it would be necessary for Government to provide hospitals, as the financial position of the Industry in Cachar precluded any large expenditure on medical facilities. As the taking over of hospitals and the imposition of a cess involved a major policy change, the hope was expressed that the proposals would receive the further consideration of the Assam Medical Advisory Board and the Standing Labour Committee.

Formation of Consumers' Co-operative Stores for Industrial Workers.—In last year's report it was recorded that at a conference convened by the Labour Department of the Government of West Bengal in October, 1963, the Producer Associations had agreed to consider the possibility of financing consumer co-operative stores to be set up by Government in the bazaars frequented by tea garden labour. The places initially chosen

were those such as Mal, Nagrakata, Kalchini, Matigara and Pul Bazar.

After examining the scheme the Association decided to accept responsibility for three stores in the Dooars, it being left to the Indian Tea Planters Association to provide the finance for the store in the Terai area. In consultation with the Dooars Branch it was agreed that the three Association stores should be established at Mal, Nagrakata and Kalchini, which it was expected would serve the workers of forty-two members and non-member estates in the vicinity.

The finance required to provide the employers' contribution to the share capital, the loan for working capital and the managerial subsidy for the three stores was collected from the members concerned on a proportionate basis and will be made available to the Co-operative Department of the Government of West Bengal as soon as the stores are ready to be opened.

In Assam the question of establishing co-operative stores on tea gardens was discussed at the meetings of the Assam Standing Labour Committee held in May and December. The employers' representatives maintained that the establishment of co-operatives was the responsibility of the workers and that as the Government of India was contemplating legislation to provide for fair price shops a decision on this subject should be kept pending until the position was clear. The labour representatives on the other hand claimed that workers would not be able to establish co-operatives without the financial assistance from the employers, which had been recommended by the Indian Labour Conference in 1962.

No decisions were reached in the matter, but the Labour Minister suggested that the Unions should nominate two workers to consider, in consultation with the Registrar of

Co-operative Societies, what assistance employers should be expected to provide.

Fair Price Shops.—At a meeting of the Indian Labour Conference held in July the employers' representatives had had to accept, under threats of legislation, the compulsory setting up of fair price shops in all industrial establishments employing more than 300 workers. Government agreed to provide rice, wheat or wheat products and sugar at controlled prices ; but employers were to arrange the procurement of pulses, a cooking medium (mustard or coconut oil) and a common type of cloth which would also have to be sold at the shops. At the meeting of the Industrial Committee on Plantations held in October the labour representatives put forward a proposal for the implementation of the Indian Labour Conference's decision in respect of tea gardens. The proposal, however, was only briefly discussed and it was decided that further consideration should be given to the matter at the next meeting of the Standing Tripartite Committee on the Industrial Truce resolution.

Surplus Labour on Tea Gardens in Assam. —A tripartite conference on labour recruitment, at which the Union Labour Minister presided, was held in Shillong on the 15th April. The Association was represented at this meeting by Mr. J. S. Hardman and Mr. J. E. Atkins.

The representatives of the Government of Assam stated that a recent survey had indicated that 9 per cent were unemployed on tea estates in the Assam Valley and 14 per cent on estates in Cachar. In spite of this, illicit recruitment from outside Assam appeared to be increasing and very little use was being made of the Special Employment Exchange, which had been set up by Government to assist tea gardens to obtain their requirements of labour within Assam.

The Industry's representatives challenged Government's claim that illegal recruitment was on the increase. The grounds were that Government appeared to be counting all persons who entered into Assam in search of employment, if they did not come through the organisation of the Controller of Emigrant Labour, as illegal recruits.

This was incorrect, as there was nothing to prevent persons from entering into Assam of their own volition in search of employment; and if such persons were employed by tea estates they could not be termed illegal recruits under the terms of the Tea Districts Emigrant Labour Act. The number of workers required by gardens having an inadequate labour force fell far short of the surplus available on other estates and as such it was understandable why the services of the Special Employment Exchange did not appear to be fully utilised.

It was agreed that estates should endeavour to obtain their requirements through the Special Employment Exchange; but if that were not possible they should endeavour to obtain their requirements from bustee labour already in Assam, reporting such recruitment to the Special Employment Exchange; and, if labour was not available from this source also, the estate could apply to the Controller of Emigrant Labour for permission to recruit from outside Assam.

The following procedure would be brought into effect from the next recruiting season :

- (i) All estates would supply to the Special Employment Exchange a list of workers surplus to their requirements.
- (ii) With the aid of such lists the Special Employment Exchange would make enquiries to ascertain the names of those who were prepared to move to other estates.

- (iii) Estates would be allowed to recruit from persons who had been registered as surplus, and recruiting gardens would intimate to the Special Employment Exchange the particulars of those recruited.

The Special Employment Exchange would carry out propaganda to persuade workers to move to estates where there were employment opportunities.

A meeting of the State Employment Committee, which was attended by Mr. J. S. Hardman, was held on the 18th June, 1964 in Shillong and the progress of Employment Exchanges in 1962/63 was considered. The Government representatives alleged that employment had declined particularly in the Sibsagar District mainly because tea estates were employing contractors on an increasing scale. This allegation was strongly denied by the Shillong Adviser, who indicated that a reduction in the labour force to the extent claimed by Government could not have been carried out without publicity.

If large scale retrenchment had occurred it would have been reflected in the records of the Assam Tea Plantations Provident Fund but no such evidence was available from these records. It was decided that representatives of the Employment Department should be appointed to the Committee set up by Government to investigate the extent to which contractors' labour was employed on tea gardens.

It was also decided that a Committee, to which the Shillong Adviser and Dr. Gilroy would be appointed, should be set up to examine the facilities available for the training of nurses and mid-wives as also of creche attendants.

Tea Districts Emigrant Labour Act 1932.— Early in January the Government of India addressed the Government of Assam and the various organisations of employers and workers concerned with plantations in Assam to ascertain their views on whether (i) the organisation of the Controller of Emigrant

Labour should be retained for a further period ; (ii) the Tea Districts Emigrant Labour Act, 1932 and the scheme thereunder should be extended after due modification; and (iii) if the organisation of the Controller of Emigrant Labour were retained what action should be taken to provide the finances necessary for its operation.

In reply the Association indicated that since 1952/53 the Industry had endeavoured to avoid recruiting workers from outside Assam and it was considered therefore that the Act and the Controller of Emigrant Labour had long since ceased to serve any useful purpose and should be abolished.

Although the Controller of Emigrant Labour had claimed that large scale illegal recruitment was occurring on tea estates he had not been able to substantiate his statement except in one case. There were cases of persons, who were the relatives of workers on tea gardens or who were former tea garden employees, entering Assam of their own volition, but there was nothing in the Act to prevent this. Tea gardens were already burdened with surplus population and it was inconceivable that they would add to their problems by illegal recruitment. The Assam Branch had an incentive scheme for the transfer of surplus labour to gardens with inadequate labour and it was clear from the figures collected under the scheme that the number of recruits needed was far less than the number of surplus labour. Furthermore, it was anomalous and contrary to the spirit of the Constitution of India that restrictions should be imposed upon movement of labour to tea estates in Assam when no such restrictions applied to the movement of workers to tea estates in other parts of India or even to the movement of workers into Assam for other projects such as bridge building and railways. It was suggested, therefore, that the Tea Districts Emigrant Labour Act should be abolished and the organisation of the Controller of Emigrant Labour should be entrusted with the task of organising the movement of labour within Assam so that tea estates would no longer be

tempted to recruit labour from outside the State. The Industry would be prepared to pay for such services but would object to paying at a higher rate for the existing machinery which had outlived its usefulness.

This subject was discussed at the meeting of the Industrial Committee on Plantations held on the 30th and 31st October when it became clear that the figures of alleged illegal recruitment had not been calculated in a scientific manner. The general opinion appeared to be that owing to changed conditions in India and the emancipation of labour there was no longer any need either for the Tea Districts Emigrant Labour Act or for the office of the Controller of Emigrant Labour. It was decided finally that the matter should be discussed further between the Labour Ministry and the Law Ministry and that the Government of India should thereafter take appropriate action.

Rate of Emigrant Labour Cess.— The Government of India, Ministry of Labour and Employment fixed the rate of emigrant labour cess for the year 1st October, 1964 to 30th September, 1965 at Rs. 9/- per assisted emigrant.

Holidays with Pay.— As all tea estates remained closed on the 28th May as a mark of respect to the late Prime Minister, Pandit Jawaharlal Nehru, the Association advised members that the day should be treated as an additional paid holiday. The 8th June, the day of immersion of the ashes of Pandit Jawaharlal Nehru, was declared a public holiday throughout India and the Association recommended that all estates should remain closed on that day, which should be treated as an additional holiday with pay.

At the meeting of the Assam Standing Labour Committee held in May, 1964, the labour requested that the number of paid holidays should be standardised throughout the Industry. It was decided that a survey should be made to ascertain the

number of unpaid holidays observed by the Industry during the plucking season.

Family Planning.— The Family Planning Programme of the Assam Branch continued in operation with the Family Planning Officer, Miss S. Kalsi, working under the direction of the Family Planning Adviser, Dr. A. Gilroy.

This programme had been initiated in 1962 as a pilot project with a view to studying the attitudes of tea estate labour to planned families and their response to motivation.

The pilot scheme had served its purpose and the Association considered that the time had arrived for an expansion of the project as a whole. The area which could be covered by one Family Planning Officer was limited and it was impossible for one person to pay the repeated visits to estates which was essential to maintain active interest. It was clear, therefore, that the only solution was to appoint additional assistant social workers who would have to be trained at a properly designed and conveniently located Family Planning Training Centre.

A scheme was accordingly drawn up for the establishment of such a Centre by Dr. A. Gilroy and it was estimated that including capital expenditure on buildings, transport, equipment etc. it would cost about Rs. 1½ lacs in the first year and that the running expenses would in future amount to about Rs. ½ lac a year. The scheme was placed before the Tea Board who were asked for a grant to finance the project. The Board replied that they could not grant assistance towards the capital expenditure but that they would consider assistance towards the running expenditure. The matter is being re-examined in the light of the Board's reply.

During the year several estates in the Dooars reported that they had been unable to obtain the grants-in-aid which had been sanctioned for the purchase of contraceptives because the

Jalpaiguri Treasury had apparently not been authorised to make the payments by the Accountant General, West Bengal.

Further difficulties arose when the estates were asked to produce specimen copies of the signatures of the estate managers, who had signed the Form TR-42, duly attested by a Magistrate with his seal to enable the Directorate of Health Services to have the forms countersigned by the Director (Family Planning). The Association took the matter up with Col. B. L. Raina and in due course a circular was issued by the Director General of Health Services stating that payment of the grants, for which the authority of the West Bengal Accountant General was not necessary, could be obtained from the Treasury on presentation of Form TR-42 duly countersigned.

As regards the verification of managers' signatures, Col. Raina agreed that it would be in order for such signatures to be attested by Dr. Gilroy or the Secretary of the Association.

The Maternity Benefit Act, 1961.—(1) *Assam Amendments.*—The Maternity Benefit Act, 1961 was brought into force in Assam with effect from the 16th December, 1963. In a notification dated the 18th December, 1963, however, the Government of Assam published for information the text of the Maternity Benefit (Assam Amendment) Bill, which had been introduced in the Assembly to amend the Central Act to adapt it to local conditions.

As it was expected that the amending Bill would soon pass into law the Association recommended to members in Assam that they should pay maternity benefits as though the provisions of the Bill had also been enforced from the 16th December, 1963.

The Bill, although it received the assent of the President of India on the 31st May, 1964, has not yet been brought into force because it has since been discovered that further amend-

ments are necessary to remove certain errors of omission resulting from the amendments already made. The Maternity Benefit Assam (Amendment) Bill, 1964 was introduced in the Assam Assembly in October, 1964 to rectify these errors.

(2) *West Bengal Rules*.—In a notification dated the 28th April, 1964, which was published in the Calcutta Gazette of the 23rd July, 1964, the Government of West Bengal invited comments on the draft West Bengal Maternity Benefit Rules, 1964. The following comments were submitted :—

(a) *Draft Rule 4* :

It was suggested that provisos should be added at the end of the rule to permit certificates of proof to be signed either by the medical officer, or a midwife of the estate hospital or by a government medical officer or Government midwife.

(b) *Draft Rule 8* :

It was suggested that the rule should be amended so that it was made clear that "gross misconduct for the purpose of Section 12" was "gross misconduct as defined under Standing Orders." Alternatively, it was suggested that the words "at the place of work" in rule 8(b) should be omitted, as in the case of plantations the phrase might be misconstrued as meaning the actual spot on which the employee was working at the time of the assault, whereas assaults in connection with industrial disputes often occurred at the supervisor's office, residence, or elsewhere on the estate.

Workers Education Scheme.— Two problems arose during the year in connection with the attendance of tea estate candidates at the courses held at Tinsukia under the Workers Education Scheme.

The first related to the question of allowing the workers time off to attend the unit level classes. The Director, Central Board of Workers' Education, suggested that the workers should be allowed time off for at least half the period spent at the classes. The Association's view was that it would be inappropriate to give tea estate workers time off to attend unit level classes when for many months of the year they only worked for four or five hours a day. It was considered that the classes should be held out of working hours and preferably should be confined to the slack season. The Director was asked to arrange the classes accordingly.

The second problem arose from the suggestion that employers should make a contribution in respect of each candidate nominated to the courses in order that study tours outside the State could be undertaken. The Association's view was that workers on plantations would derive very little benefit from seeing industrial conditions in urbanised areas. Labour relations in a highly integrated industrial complex were very different from the conditions normally obtaining on plantations and there appeared to be no justification for tea estates to spend substantial sums on showing workers conditions which had no real application to their way of life. The Association accordingly regretted its inability to advise members to meet expenditure in connection with study tours.

Education.—(1) *Take over of tea estate schools in Assam.*—In the Association's report for 1962 it was recorded that the Government of Assam had confirmed their willingness to take over tea garden schools and that it had been suggested that the take over should commence in Zone 2 of the Assam Valley.

No developments took place until the agenda for the meeting of the Assam Standing Labour Committee held on the 1st and 2nd May was announced. One of the subjects included in the agenda was a memorandum covering Government's proposals for the take over of tea garden schools by the Elementary

Education Board. At the meeting the Industry's representatives agreed that tea gardens would hand over existing schools and the land on which they stood to the Education Department ; that additional school buildings (non-residential) required within the next three years would be provided at the employers' expense ; and that further expansion would be the responsibility of Government.

As far as the teachers were concerned it was agreed that tea estates would make up the difference between the wages they would draw from Government and their existing salaries. For as long as the teacher remained on his "parent" estate he would also be allowed the following fringe benefits viz. free firewood and tea, concession rations and medical attention. The Industry declined to agree that they should continue to draw travelling allowance or receive bonus from the estate. This latter problem was referred to a Sub-Committee, on which Mr Atkins represented the Association, but no agreement could be reached. At the meeting of the Assam Standing Labour Committee held in December, it was decided that the Producer Associations should submit in writing their objections to the grant of travelling allowance and bonus to teachers, who had been transferred to Government.

(2) *Questionnaire regarding education of children of tea estate and ex-tea estate labourers.*—In November, 1963 the Government of Assam constituted a Committee under the Chairmanship of the Deputy Minister of Education with the following terms of reference :—

"To assess the existing facilities for education of all stages in the tea garden areas and to determine what further facilities are necessary in the matter of land and building for the schools, equipment and furniture, additional schools if necessary, additional teachers necessary, and other allied items such as stipends and other concessions that may be given to the deserving students.

To determine the mode of taking over the existing schools by the Government from the tea garden authorities.

To determine the extent of help and co-operation that can be obtained from tea garden authorities and the Trade Unions in the matter of education in tea garden areas."

During the year the Labour Department of the Government of Assam issued a questionnaire on behalf of the Committee to all tea estates asking for information regarding the number of children attending school ; the school facilities available ; the scope for expansion of these facilities ; and the scope for technical education. A guidance note was issued in Circular Letter No. 91 dated 3rd July to assist members in replying to the questionnaire.

The Committee paid a visit to Cachar towards the end of the year when the schools on several estates were inspected and meetings were held with representatives of employers' Associations and the I.N.T.U.C.

(3) *Take over of tea estate schools in Darjeeling.*—In July the Secretary of the District School Board, Darjeeling addressed the Darjeeling Branch Indian Tea Association inviting the co-operation of tea estates in the Board's endeavour to implement the Primary Education target for the Third Five Year Plan in West Bengal. Tea estates were asked to apply for the recognition of existing schools ; to increase the number of schools where this was warranted by the number of potential pupils ; and if they were unable to undertake the responsibility for maintaining the requisite number of recognised schools to transfer the existing schools to the Board.

The Board's proposals were discussed with the Secretary of the School Board and it appeared that if tea estates wished

to transfer the schools to the Board they could do so either by making an outright deed of gift of the buildings and the land on which the buildings stood or alternatively to lease the buildings out to the School Board.

As far as teachers were concerned, the Board would take over all existing teachers, who had the requisite qualifications, the tea gardens being responsible for the payment of the difference between their existing emoluments including the Government grant and their emoluments under the School Board's scales of pay. The estates would also have to allow existing incumbents the amenities at present enjoyed by them viz. housing, firewood, medical facilities etc. These amenities would not have to be given to new teachers appointed by the Board.

The Association considered that in the event of tea estates wishing to transfer their schools to Government they should preferably make an outright deed of gift of the school buildings and land to the District School Board, which would release them from all further obligations in regard to the maintenance of the schools. If it was legally possible to do so, the Deed of Gift should include a proviso to safeguard the school being used for other than educational purposes, as well as a proviso that the children of garden labour be given preference for admission to the schools and outsiders only taken in when there were vacancies.

West Bengal Industrial Disputes Rules, 1958.— The draft amendments to the West Bengal Industrial Disputes Rules, 1958, which had been published for comments on the 10th December, 1962, and which were referred to in last year's report, were published in their final form by the Government of West Bengal in a notification dated the 22nd February, 1964.

Under the new Rule 77A, employers are required to maintain seniority lists to cover the eventuality of retrenchment in

the establishment. Although members do not have recourse to retrenchment, in view of the agreement reached by the Indian Labour Conference to allow reduction of excessive labour forces by natural wastage, they were advised in Circular Letter No. 69 dated 21st May, 1964 to take immediate steps to prepare lists of all the various categories of employees on the gardens and to record against their names their respective dates of appointment. Thereafter the lists were to be arranged in order of seniority.

Clerical and Medical Staff : (1) *Servant Allowance.*—(a) *Assam Valley*—At the meeting of the Assam Standing Labour Committee held in May the labour representatives put forward a demand for an increase from Rs. 55 to Rs. 65 in the servant allowance payable to the clerical and medical staff in the Assam Valley. This claim was made on the grounds that servant allowance was linked to the prevailing wages for daily paid labour which had increased since the existing rate of servant allowance had been fixed. The employers' representatives declared their inability to accede to the labour's demand because this was a matter which came within the purview of the Wage Board. As no agreement could be reached it was decided that the dispute should be referred to a Tribunal. This was done by the Government of Assam in a notification dated the 19th August, 1964.

By the end of the year the Union and the Assam Branch had filed their written statements before the Tribunal.

(b) *Surma Valley.*—During the year the Union and the Surma Valley Branch filed their written statements and their respective rejoinders with the Industrial Tribunal to which the dispute regarding the rate of servant allowance in Cachar had been referred last year.

(2) *Travelling Allowance.*—The maximum rates of travelling allowance payable to the clerical and medical staff in the Assam

Valley while proceeding on leave were increased in January by Rs. 30/- for married employees and Rs. 15/- for single employees. The revised rates admissible, provided that the journeys are actually undertaken, are as follows:—

Man and wife ... Three return fares at second class rates to and from the employee's home, subject to a maximum of Rs. 230/-

Single man ... One and half return fares at second class rates to and from the employee's home, subject to a maximum of Rs. 115/-

(3) *Retiral Benefits for Staff in Assam.*—In December, 1963 the Assam Chah Karmachari Sangha asked tea companies to introduce a staff retirement and pension scheme. The main provisions were a retiring age of 60 years and the grant of a pension of 50 per cent of basic salary with a minimum of Rs. 60 after 30 years service plus dearness allowance at the prevailing rates. Proportionate pensions were to be granted for service of 15 years and above.

This scheme was unacceptable to the Association; but the Assam Branch offered to introduce the Dooars minimum retiral benefit scheme in Assam. The reactions of the A.C.K.S. are awaited.

LAND MATTERS

Land Requisition in Assam.—The Committee, which had been set up in 1963 by the Government of Assam to review and examine what modifications might be necessary in the existing formula for requisition of tea garden land, held its first meeting on the 18th September, 1964. The Association was represented at the meeting by Mr. S. G. B. Brown, Mr. S. B. Datta and Mr. G. T. Allen.

At this meeting the Deputy Chairman of the Tea Board emphasised the need for estates to have sufficient land for extension and replacements if they were to fulfil the targets recommended for the Industry under the fourth and fifth Five Year Plans and suggested the establishment of a procedure under which all requisition orders involving tea garden land would be screened by the Tea Board.

The Industry's representatives urged the adoption of the guiding principles which had been suggested to Government in 1963 and further recommended that the 1:2 formula should only be made applicable to estates with a minimum of 750 acres under tea and on a company as well as an individual estate basis.

The Government representatives explained that the Government also needed land for the settlement of refugees and other public purposes. Nevertheless, it was finally agreed that the existing formula would be maintained for the present but that the Deputy Commissioners would be instructed not to requisition garden areas suitable for the cultivation of tea where it could be shown that the lands would be brought under cultivation within 3/5 years and to follow the instructions previously issued relating to consultation with the managers and Circle Chairmen.

Government also agreed to look into cases where requisitioned tea garden land had not been properly utilised or where compensation had not been paid.

Reassessment of Tea Garden Land:—(1) *Assam*.—In a notification dated the 23rd January, 1964, published in the Assam Gazette of the 5th February 1964, the Commissioner of Division, Dibrugarh announced that all grant land and land under khirji lease belonging to tea gardens in the District of Sibsagar, which was held or used for the cultivation of tea or purposes ancillary thereto, had been classed as "Tea" and would be assessed with effect from the 1st April, 1964, at an all round rate of Rs. 2.25 per bigha. Objections to this assessment were to be filed within six weeks of the notification.

As the proposed rate involved an increase in land rent of 200 per cent, a representation was made by the Consultative Committee of Plantation Associations to the Settlement Officer, Sibsagar District on behalf of the Industry. It was pointed out that the last available forecast report of the resettlement which had been published by the Assam Government in 1955 had recommended a rate of Rs. 1.25 per bigha; and that as far as the industry was aware, circumstances had not changed to such an extent as to warrant the rate of Rs. 2.25 per bigha now proposed. Attention was drawn to the economic difficulties of the Industry and Government was urged to notify a revised lower rate.

Public hearings were held by the Director of Land Records, Government of Assam on the 13th, 14th and 15th May, 1964. The Shillong Adviser attended the hearing on the 13th May, at which the Director explained that on the basis of information obtained from the Tea Board and the Association regarding costs of production, selling prices and yield, Government had estimated a profit of Rs. 75 per bigha from land under tea. It appeared, however, that in arriving at this figure income from non-tea land had been included. This was

disputed by the Industry's representatives and it was pointed out that income from paddy land was appropriated by the workers, while thatch and timber were not sold. The cost of production figures prepared by the Association did not include the monetary value of produce appropriated by the estate for its own use and if this was included the cost of production would be much higher. Up to the end of the year the Association has not heard the results of these representations.

(2) *West Bengal*.—Towards the end of August, 1964 it appeared from reports appearing in the Press that the Government of West Bengal was proposing to increase the ceiling on rents for tea garden land from Rs. 4.50 per acre to Rs. 6.50 per acre. The Consultative Committee of Plantation Associations submitted a representation to the Minister of Land and Land Revenue, Government of West Bengal protesting against this increase and pointing out that the increases would worsen the economic position of tea gardens in West Bengal, a large percentage of which had made losses in the years 1959, 1960 and 1961. The Minister granted an interview to representatives of the Consultative Committee on the 29th December when he promised to reconsider the matter, although in the meantime the West Bengal Estates Acquisition Act had been amended to provide for rents being levied at twice the highest rate for agricultural land in the vicinity subject to a maximum of Rs. 6.50 per acre.

SUPPLIES & TRANSPORT

Foodgrain Supplies : 1964.— Steel Brothers & Co., Ltd. continued to act as the Association's agents for the procurement of foodgrains for tea gardens in West Bengal and Assam and during the foodgrain year ended 31st October, 1964 they delivered 70,000 tons of grain to tea estates as follows :—

		<i>Rice</i>	<i>Wheat.</i>
Assam	...	22,000 tonnes	13,000 tonnes
West Bengal	...	20,000 tonnes	15,000 tonnes

Assam Valley.—In the Assam Valley at the commencement of the year stocks of rice were lower than at the corresponding period of the previous year. Difficulties had arisen over the Supply Department's allocations and a slow rate of movement restricted the building up of stocks which usually occurs during the winter months. Even in the winter months offtake remained at an abnormally high level. The raising of the price of rice payable to the cultivators had meant that in most areas the open market price of rice remained far above the selling price fixed for garden workers.

Events gradually moved to a crisis in the month of May when Government decided that the official procurement operations could not be expected to make any further progress and invoked the assistance of the rice millers who were offered the privilege of procurement on condition that a proportion of the supplies obtained were made over to the Supply Department.

Events outside Assam exerted their influence, notably the serious food shortage in Kerala. Wheat supplies which normally would have been available for tea estates in Assam were diverted for areas which were facing extreme scarcity. At the commencement of the year wheat stocks on tea estates had been quite appreciable and the build up of stocks had continued

satisfactorily up to the end of June. With the virtual cessation of supplies of wheat and with offtake reaching a high level, stocks of wheat were almost exhausted by the end of October and many estates were obliged to issue the whole of the cereal ration in the form of rice or paddy, resulting in increased pressure being thrust upon rice supplies. This coincided with a particularly troublesome period of infructuous allocations and slow deliveries from the rice mills. As stocks of foodgrains declined on tea estates tension mounted and many estates reached the stage of being dependent on rice in transit to meet their current issues to labour. By agreement with the I.N.T.U.C., labour who held khet were excluded temporarily from the ration list. Despite a rice crop which was generally recognised as being well above average, the open market prices at the end of the year remained, in Upper Assam at least, well above the official procurement rate. Even at the close of the year supplies were moving slowly and erratically and stocks on estates were at an undesirably low level. There was, however, some improvement in the wheat situation with substantial supplies in transit or in Calcutta.

The offtake in 1964 was 25,234 tonnes, against 24,885 in the previous year. Wheat on the other hand reached the high level of 15,022 tonnes, against 8,742 in 1963. Of the rice allocations approximately 25% came from the Centre and the balance from the Supply Department.

The pool rate for rice in 1964 was Rs. 76 per quintal as compared with Rs. 68 per quintal in the previous year.

In a year of exceptionally precarious supplies, only equalled by the record of 1951, the task of the Association's suppliers, Messrs. Steel Brothers & Co., Ltd., was particularly onerous and special mention is required of the devotion of their staff to their responsible and intransigent task. As frequently happens in times of scarcity, the allocations from the Supply Department were spread over wide areas and numerous mills, making the work of Messrs. Steel Brothers more complex. During the most

critical phase rice and paddy were being despatched by road from North Gauhati and Nowgong to the Jorhat and Tinsukia depots of Messrs. Steel Brothers.

(2) *West Bengal*.—Rice was obtained from both Orissa and Nepal and Steel Brothers were most fortunate in being able to buy and obtain delivery of some 13/14 months' requirements during the months January/May. As a result tea estates in West Bengal proved to be the only areas throughout India which did not face serious trouble over rice during the last six months of the year under review.

Although the average cost of rice landed on the garden was higher than previously, being approximately Rs. 72/- per quintal as against Rs. 69 per quintal in 1963, the cost was considerably less than the average market rate throughout the season.

The supply of wheat was made without difficulty as programmed.

(3) *Cachar*.—The position in Cachar was less unsatisfactory than in the Assam Valley. In general, local arrangements by the Deputy Commissioner and the Supply Department were made to meet the requirements of members of the Branch.

Tea Chests.—(1) *I.S.I. Standards*.—During the year a member suggested that consideration should be given to the question of whether the I.S.I. specifications for tea chests were sufficiently adequate, to enable the chests to withstand the rough handling to which they were subject in the course of their despatch to overseas destinations. This suggestion was made because 30 per cent of chests in the first consignment of 1964 direct shipment teas despatched to London by the member were found to be badly damaged when inspected in the London warehouses and preliminary investigations had revealed that a major cause of the damage was the extremely rough handling of tea chests by the Calcutta dock labour. Particular attention was drawn to the I.S.I. specification under which a large size

chest was required to be tested after being filled with 50 kg. of saw dust whereas such a chest could take 60 kg. of legg cut fannings without bulging.

The experience of the other members, however, was that while damage to tea chests had increased it had not done so to any appreciable extent which would justify a revision of the current I.S.I. standards. The increase in damage could be attributed to bad handling ; and as the Tea Board had appointed a full time officer in 1962 to attend the Docks and to keep a watch on the handling of tea chests, the Association asked the Board for a report by this officer on conditions in the Docks.

Towards the end of the year it was reported that the India-Pakistan Liners Conferences were proposing to insert a penalty clause in the bills of lading in order to indemnify themselves from claims on account of damage and/or loss arising by reason of the quality of tea chests. As all teas exported were packed in tea chests constructed to I.S.I. specifications it was considered that the Lines were completely unjustified in endeavouring to qualify their bills of landing and it was decided that the proposal should be strongly resisted if it is pursued.

(2) *Imposition of Excise Duty on resin glues used in the manufacture of plywood.*—As a result of the imposition of excise duty and a special duty of excise on resin glue it was estimated that the cost of a tea chest of size 19" × 19" × 24" would increase by 20 paise. As this increase would have an adverse effect on the cost of production of tea chests the Association requested the Tea Board to make appropriate representation to the Government of India. The Association also supported a representation made by the Federation of Plywood Industry, New Delhi to the Ministry of Finance in which it was suggested that manufacturers of plywood for tea chests should be allowed to obtain their supplies of synthetic resin glue free of excise duty.

(3) *Wire nails for tea chests.*—The Tea Chests Fittings Manufacturers Association of India announced in February that owing to the increase in import duties etc. in tinplate and tissue paper and the increase in the cost of wire nails and packing materials their members would increase their charges for tea chests fittings as follows :—

19" × 19" × 24" size	...	8 paise per set
18" × 18" × 20" size	...	7 paise per set
16" × 16" × 18" size	...	6 paise per set

It appeared that the Indian Steel & Wire Products Ltd., Jamshedpur, had increased their price for wire nails from Rs. 1,050 per tonne to Rs. 1,310 per tonne with effect from the 1st April, 1964. As this represented an increase of almost 25 per cent the Association asked the Tea Board to take the matter up with the firm.

Coal Supplies.—The coal requirements of member gardens in North Bengal, Cachar and the Assam Valley for the season 1963-64 were as follows :—

(a) North Bengal gardens		
(Dooars, Darjeeling and Terai)		
...	...	89,514 Tonnes.
(b) Cachar gardens	...	9,259 Tonnes.
(c) Assam Valley gardens	...	65,429 Tonnes.

North Bengal Gardens.—In North Bengal the season began with adequate stocks of coal on gardens and, as in the previous season, coal for North Bengal gardens was transported by the Indo-Pakistan rail route via Haldibari. The Haldibari dump, which was established during season 1962-63 to feed gardens in the Western Dooars, was finally closed on the 31st December, 1963.

Movement was satisfactory and by January, 1964 some 58,417 tonnes of coal, representing approximately 70% of the total demand, had been despatched from the collieries.

Gardens in the Dooars had received their full requirements by the end of July, 1964 i.e. one month before the end of the season. The wagons that were made available to the Association during the month of August, 1964 for movement east of Siliguri were utilised for the movement of 1964-65 requirements.

As in the previous year Steel Brothers & Co., Ltd. continued to undertake the inspection of tea garden coal at the transshipment point at Haldibari and to report on the quality of all coal despatched on the Association's behalf. All reports on consignments containing an unduly high percentage of dust were passed on to the suppliers for examination with the request that particular care be exercised when loading coal for the Tea Industry.

Cachar.—Supplies of coal to gardens in Cachar was made as in the previous year from Assam Collieries. As there were no shortfalls from the previous season, the season 1963-64 began with adequate stocks of coal on gardens. Deliveries from the Assam collieries improved considerably and kept pace with manufacturing requirements. The main problem which gardens had to face was one of the quality of coal from the Assam Collieries. Khasi coal supplies also continued to be extremely poor.

Early in December, 1963 the Association anticipating an early completion of supplies to gardens in West Bengal approached the Tea Board for an allotment of 2,000 tonnes of Bengal coal for gardens in Cachar. While supplies of Assam coal to these gardens were moving in sufficient quantities, the Branch felt that the quality of this coal would improve if it were mixed with Bengal coal.

Owing to a shortage of wagons, however, this movement did not begin till the month of July, 1964. Against a require-

ment of 9,258.93 tonnes a total quantity of 11,036.80 tonnes of coal was despatched to gardens in Cachar from all sources during season 1963-64.

Assam Valley.— As regards the Assam Valley, allocations from the Assam collieries were made as follows:—

Ledo	...	...	31,835 Tonnes.
Dilli	...	...	1,742 „
Jeypore	...	...	1,742
Bimalpore	...	...	886 „
Koilajan	...	...	2,748
Sheelvata	...	...	1,674 „
Bhutan	...	...	6,983 „
Khasi	...	...	17,819 „
Total—	...	...	<u>65,429 Tonnes.</u>

Deliveries were made as usual by rail from the collieries in Assam to the various depots maintained by the Assam Branch which arrange final distribution to gardens. The supply of Khasi coal was made both by rail and steamer from Gauhati through the distribution arrangements of Steel Brothers & Co., Ltd. No Bengal coal was allotted to the Assam Branch during season 1963-64.

As in previous years the allocation of Ledo coal this year was roughly 50 per cent of the total allocation. The allotment of Khasi coal was approximately the same as last year. Although standards for Khasi coal were laid down by the Coal Controller it is regretted that these standards were seldom complied with and gardens continued to complain of the very poor quality of this coal.

A serious problem arose over the allotment of Bhutan coal to the Industry in Assam. At a coal meeting held on the 4th October, 1963 it was decided to allot some 2,700 tonnes of Bhutan coal to the Assam Branch for brick burning only. The Branch accepted this provided that an equivalent quantity of Ledo coal was allotted to the Branch for tea manufacture.

By January, 1964 none of this coal had been received—it should have been on estates by December when brick burning starts—and estates were being asked to provide their own transport which was impossible. The Bhutan collieries began despatches in February, but estates had to refuse this late movement. The cancellation of the Bhutan coal meant that the Ledo coal for tea manufacture was also cancelled. In lieu the Assam Branch was allotted 4,376 tonnes of Bhutan coal for tea manufacture.

The Association has since pointed out to the Tea Board that for some years the Tea Industry in Assam has been forced to accept at a high price Khasi and other inferior grades of Assam Coal. More recently the Industry has been asked to accept Bhutan coal for tea manufacture and brick burning as well.

In spite of repeated appeals from the Industry there was no improvement in the quality of coal supplied which contained dust, mud and slate.

The poor quality of coal has led estates to change to oil firing for their driers. As a consequence, the coal consumption of gardens in the Assam Valley and Cachar has declined steadily and the total requirement of the Assam Branch has declined from 1,04,257 tonnes in 1959-60 to 65,429 tonnes in 1963-64.

Iron & Steel.— As in the previous year, owing to the needs of defence and also due to a large backlog of outstanding orders for galvanised plain and galvanised corrugated sheets (above

14G), the Government of India did not release to the Industry any bulk quota for these two categories of sheets for allotment during the year 1964-65. No quota certificates were issued by the Tea Board for these two items against demands submitted earlier in the year.

Owing to the non-availability of corrugated sheets several gardens had to curtail their construction programmes as a result of which the demand of other building materials steadily decreased during the year.

Cement.— As in the previous year, cement supplies to the Tea industry continued to be under the control of the Regional Cement Officer, State Trading Corporation of India Ltd., who allotted permits on the basis of applications submitted through the Tea Board.

The total tonnage of cement allotted for the various periods against demands submitted by the Industry was as follows :—

	<i>Demand</i>	<i>Allotment</i>
Period I	29,778.679 tonnes	12,735.000 tonnes
Period II	21,633.300 ..	10,800.000 ..
Period III	18,462.042 ..	12,600.000 ..
Period IV	21,546.350 ..	13,200.000 ..

The quantity allotted was equivalent to approximately 55.55 per cent of the total demand of the Industry as compared with 32.06 per cent allotted in the previous year.

Gardens did not experience any difficulty in receiving supplies under the new procedure of "clubbed" consignments.

The transport position continued to be difficult as whatever freight was available was utilised mainly for the despatch of coal supplies and fertilizers.

Owing to the non-availability freight for movement of cement to gardens in North Bengal, which were situated East of Siliguri, supplies continued to be sent as far as Siliguri by rail and from there by road to the gardens concerned. As in the previous year Steel Brothers & Co., Ltd. were engaged to handle these supplies.

Fertilisers.— No difficulties were experienced by tea gardens in obtaining their requirements of fertilisers during the year.

The maximum prices to be charged for fertilisers supplied to tea plantations were fixed by a notification dated the 18th March, 1964 issued by the Government of India, Food and Agriculture Ministry but these rates were revised by a notification dated the 29th September and are now as follows:—

1. Ammonium Sulphate	...	Rs. 374.60
2. Ammonium Sulphate Nitrate	...	Rs. 435.00
3. Urea	...	Rs. 615.00
4. Calcium Ammonium Nitrate	...	Rs. 310.00

Import of Machinery and Spare Parts. In the Association's report for 1962 it was recorded that the Tea Board had turned down the Association's suggestion that established importers should be allowed to import the entire range of machinery and spare parts required by the Industry and had insisted that tea gardens would have to continue to obtain their requirements through the system of actual users' licences.

As this system was not altogether satisfactory from the Industry's point of view, the Association continued to suggest that established importers should be allowed to import and stock tea machinery and spare parts instead of tea companies carrying stocks as at present. The Chairman of the Tea Board, at a meeting of the Sub Group on Tea of the Working Group

on Plantation Crops for the Third and Fourth Plans held in March, indicated that he would be willing to re-examine the Association's proposal if a suitable scheme could be put forward.

The Association accordingly referred the matter to the Calcutta Import Trade Association and after detailed consideration of the suggestions made by that Association, it was decided that all that was necessary was a scheme to cover the import of spare parts. For prime movers and other tea machinery, tea companies planned well ahead and there was no real need for stocks to be held by importers.

A list of items to be covered under the scheme is under preparation and it is hoped to be able to put forward a definite scheme to the Tea Board in the near future.

Supply of Jeeps and Station Wagons to Tea Gardens.—In January 1964 the Tea Board announced that the Government of India had authorised Mahindra & Mahindra Ltd. of Bombay to sell 150 Jeeps a month for civilian purposes and that tea estates requiring such vehicles should place their orders on the manufacturers without delay. A survey revealed that at that time tea gardens had 33 jeeps on order and that a further 73 jeeps would be needed during the next twelve months. The Tea Board were asked therefore to arrange for a quota of vehicles to be reserved for tea estates from the civilian allotment. In July the Board announced that the manufacturers had agreed to earmark ten jeeps a month for supply to tea gardens, which would be released on recommendation from the Tea Board.

This quota was considered to be inadequate having regard to the special needs of tea estates in Darjeeling and the needs of tea gardens in the Dooars and Assam, where nearly all the garden jeeps had been requisitioned during the Emergency and returned in a very poor condition.

It was suggested, therefore, to the Tea Board that Mahindra & Mahindra Ltd. should be asked to increase the tea estates' quota to at least twenty vehicles per month.

Import of Tractors : End-use Certificates.— By a notification dated the 23rd May 1964 the Government of India, Ministry of Finance, exempted the following types of tractors from the payment of excise duty :—

- (a) tractors of draw bar horse power 50 and below;
- (b) tractors of draw bar horse power exceeding 50 provided that the Collector of Central Excise is satisfied that such tractors are used solely for agricultural purposes.

This concession removed the necessity for tea estates to obtain end use certificates for tractors, a procedure which had caused much inconvenience to members.

Electricity Supplies in Assam.— (1) *Assam State Electricity Council.*—The Association is represented on the Assam State Electricity Consultative Council by the Shillong Adviser. Three meetings of the Council were held during the year, at which the progress of the major projects for the supply of electricity to Assam were kept under review.

- (a) *Umiam Hydel Project.*—The sluice gates were closed towards the end of July and by the end of September the water had topped the sluices. The dam is expected to be completed by the end of March, 1965. The power house and one machine were ready for testing by the end of the year.

The transmission lines to Cherrapunji and Gauhati have been completed and those to Shillong and Cachar are expected to be ready by May, 1965. The erection of the transmission lines to Tezpur and

Bongaigaon has been held up owing to lack of steel for the pylons.

- (b) *Naharkatiya Thermal Project*.—The gas line was completed and tested. The project will be commissioned in the near future.

The grid transmission line to Tinsukia and Dibrugarh has been completed and will reach Golaghat by April, 1965.

(2) *Tariff rates and conditions for the supply of Electricity to tea gardens*.—The negotiations, which had commenced last year to secure an attractive tariff rate for tea estates wishing to take electricity from the Assam State Electricity Board continued throughout the year. In view of the technical nature of the negotiations and the necessity to advise members of the probable costs involved in the electrification of their factories, the Assam Branch appointed Mr. B. S. Dutt Roy of the General Electric Co. of India Private Ltd. as their consultant in January, 1964.

At a meeting held in March between representatives of the Assam Branch and the Assam State Electricity Board, the Board offered a flat rate of 16 paise per unit (KWH) for power consumed for all purposes with supply at 11,000 volts. There would be a surcharge of $7\frac{1}{2}$ per cent for supply at 400 volts plus the Electricity Duty at 2 paise per unit. This offer was subject to the condition that it was accepted by the 1st July, 1964 and that the estates concerned were agreeable to take electricity from the grid before the end of 1965 although the development of the whole load could be phased over a period of two to three years.

The rate offered by the Board was considered too high when compared with rates elsewhere and the Association

therefore suggested the introduction of a promotional tariff as follows :—

First	5,000 units per month	16 paise per unit
Next	5,000 units per month	14 paise per unit
All over	10,000 units per month	12 paise per unit

coupled with an undertaking to avoid the peak load period of 5 p.m. to 11 p.m. The Board was also asked to allow tea estates more time to decide whether they wished to take electricity from the grid.

The Board in due course agreed to allow tea estates up to the 1st September, 1964 in which to notify the Board of their desire to take electricity from the grid and to qualify for the special tariff for tea estates. As regards the tariff the Chairman of the Electricity Board indicated that he had no objection to the introduction of a slab system but he could not accept the slabs suggested by the Association, which he considered too small. After protracted negotiations the Board eventually offered the following rates for tea estates which signified by the 1st September, 1964 a desire to take grid electricity and which were connected to the grid by the 31st December, 1965:—

First	10,000 units ...	16 paise per unit.
Next	5,000 units ...	15 paise per unit.
All over	15,000 units ...	14 paise per unit.

These rates would remain unaltered for at least five years i.e. up to the end of 1970.

Members were accordingly advised to submit provisional applications for power before the 1st September, 1964, which would be subject to confirmation or withdrawal within one month after the official publication of the tariff by the Board.

For the supply of electricity to estates the Assam State Electricity Board agreed that a Ring Main system with spurs

where necessary could be designed to suit the load of the estates concerned. The Board agreed that duplicate feeders to the ring mains would be provided and that supply would be arranged at two points on a garden if it was considered economical from the distribution point of view.

The ring mains system was found to be practicable, however, only in respect of estates in the Doom Dooma, Panitola, Tingri and Dibrugarh Circles. For the other circles the Assam Branch Consultant recommended a radial system of supply as there did not appear to be any possibility of duplicate feeders being made available for the small loads involved in the areas. Details of the proposed alignment of the main transmission lines of the Grid system and of the proposed Ring Main/Radial systems were circulated to Agency Houses concerned in July.

Numerous other technical details were discussed by the Association's representatives with representatives of A.S.E.B. at meetings held in Calcutta and in Assam; and in order that there should be no misunderstanding the Association addressed a letter to the Assam State Electricity Board on the 13th November asking for confirmation on the various points agreed upon. A copy of this letter is reproduced in the Appendices to the report.

Up to the time of writing this report no reply had been received to the letter.

Air Services to Assam.— The air services to Assam operated by the Indian Airlines Corporation were the subject of complaint during the year. The Fokker Friendship service to Jorhat and Mohanbari was replaced by a Dakota service in February, and as this service was operated by a 21 seater Dakota, members experienced difficulty in obtaining seats from Tezpur to Calcutta and Calcutta to Tezpur although applications for reservation were made well before the intended dates of travel. The

service was also inclined to be erratic; and on several occasions the air-craft overflowed Lilabari for no apparent reason and failed to call at Tezpur.

The Association took the matter up with the Indian Airlines Corporation suggesting that the service could be improved by operating a 28 seater Dakota and allocating eight seats for Tezpur. The I.A.C. replied that a 28 seater Dakota could not be used on this route because of the weight factor which would reduce the payload between Calcutta and Tezpur. It was also explained that the aircraft occasionally did not stop at intermediate stations because of the time factor, as for operational reasons the Dakota had to cross the hills before dusk while flying from Gauhati to Calcutta.

Owing to repairs being carried out at Mohanbari Airfield, the daily Viscount service to Mohanbari was terminated at Jorhat and a Dakota ferry service between Jorhat and Mohanbari was introduced from the 1st October, 1964. This ferry service was suspended at the end of November, 1964 with the result that passengers from Calcutta were unable to fly to Mohanbari and had to make the journey onward from Jorhat by road. In view of the inconvenience to which the planting community has been subject as a result of the suspension of this service, the Association took the matter up with the I.A.C. who have stated that the ferry service had to be withdrawn for "operational reasons". The I.A.C. have been asked to explain these reasons.

Assam Air Scheme.— The Assam Air Scheme, which came into operation last year, continued to function fitfully during 1964. Associated Airworks, who were responsible for providing two aircraft in Assam at all times, failed to meet their obligations under the scheme. On many occasions aircraft were not available due to mechanical failure and latterly because of the non-availability of pilots. Associated Airworks were also unable to meet their financial obligations under the

scheme with a result that a large sum of money remained due to the Assam Branch at the end of the year. In view of the unsatisfactory position consideration was given to terminating the arrangements with Associated Airworks and the position is being examined by the Branch in consultation with their solicitors.

Calcutta Air Scheme.—Last year the Association entered into an agreement with Associated Airworks, under which the Company agreed to maintain a Twin Beech Aircraft based on Calcutta for the use of members for travel to the tea districts in cases of emergency.

As the Company failed to place the Aircraft for use during the year it was decided that the Agreement should be cancelled and arrangements are being made accordingly.

Transport.—The larger crop produced in Assam was moved efficiently by the Rivers Steam Navigation Co. Tea Specials were provided in the early part of the year and later an "Accelerated Service" was introduced. An additional 358,000 chests were carried as compared with the previous year. Ample space was available for the movement of upward stores, and coal movements were completed well within the scheduled time.

Movement by rail was satisfactory through the year, apart from temporary dislocations in the movement between Siliguri and Gauhati. Good progress was made in the construction of the broad-gauge between Jalpaiguri and Jogighopa.

Road communications were greatly improved by the construction of bridges on the North Trunk Road from Rangiya to the West Bengal border. The rapid reconstruction of the Numaligarh Bridge which had collapsed in the previous monsoon was a most creditable achievement.

Railway Claims.—(1) *Claims in respect of goods loaded at private sidings.*—In last year's report it was recorded that as a

result of the introduction of a new siding agreement, the railways were endorsing receipts for consignments which had been loaded at tea garden sidings without railway supervision with the words "said to contain," with the result that claims for pilferage or damage in respect of such consignments were being rejected at destination.

The matter had been taken up with the N.F. Railway who indicated in reply that when the railways had the responsibility of bailees, claims in respect of such consignments had only been admitted when it was proved that the loss or damage had been caused by neglect or misconduct of the railway staff. As the railways now had the responsibility of common carriers, clear receipts could not be issued in respect of consignments which had not been loaded under railway supervision, and all receipts would have to be marked "said to contain". It was clarified, however, that claims in respect of such consignments would also be met by the railways if it was proved that the loss or damage was the result of negligence or misconduct on the part of the railways.

In view of the limited number of private sidings on tea gardens it was decided not to press for the siding agreements to be amended, but the matter was reported to the Bengal Chamber of Commerce and Industry in case other interests were similarly affected by the new siding agreements. In due course the Chamber advised the Association that the railways had indicated that railway receipts would not be marked "said to contain" if the estates agreed to pay the wages amounting to about Rs. 200 per month of a siding clerk, who would supervise the loading of consignments at the sidings. Weighbridges and other personnel would not be needed. The Assam Branch's reactions to this proposal are awaited.

(2) *Claims in respect of consignments which were diverted to Kantapukur during the emergency.*—In last year's report it was recorded that the railways had repudiated the claims received

by them in respect of teas which had been booked to T. T. sheds by steamer but which had been directed to the warehouses at Kantapukur without the issue of fresh documents. The Association had sought the assistance of the Tea Board and it is satisfactory to record that at the intervention of the Board, the Railway Board issued instructions to the General Manager, Eastern Railway to process and finalise the claims as a special case.

Steamer Services to the U.K. .-(1) Availability of Space.—

The Liaison Sub-Committee which was set up by the Calcutta Liners Conference to keep the freight position for the shipment of tea to the U.K. under review, continued to hold regular meetings during the year and to examine the various difficulties relating to shipping space reported by members. The Association was represented on this Committee by Mr. M. R. Smith and Mr. V. K. Chaudhri.

(2) *Ocean Freight Agreement.*—Towards the end of December, 1963 the Calcutta Liners Conference issued a notice announcing the introduction of an immediate rebate of 9½ per cent as a running alternative to the customary deferred commission system in respect of all westbound cargo including tea. Tea shippers had in the past been allowed an immediate rebate of 10 per cent on their shipments.

The Conference pointed out that the 9½ per cent immediate rebate scheme had been in force for some years in respect of the eastbound trades and had now been extended to all westbound cargo under pressure from the Government of India. In the circumstances it had been necessary to withdraw the concession enjoyed by the tea trade, which would now receive either the 10 per cent deferred commission or the 9½ per cent immediate rebate. The new system would come into force from the 1st July, 1964.

In February the Calcutta Liners Conference circulated for consideration the draft of a new westbound contract which they proposed to bring into force from 1st July. This draft was considered by the Association; and certain amendments, which were later accepted by the Conferences, were put forward. A copy of the revised Tea Agreement is reproduced in the appendices to this report.

CUSTOMS & EXCISE

Regional Advisory Committee on Land Customs matters.—The Association was represented on the Regional Advisory Committee on Land Customs matters through the Associated Chambers of Commerce and Industry of India by Mr. M. C. Taraporvala of Macneill & Barry Ltd. During the absence on leave of Mr. Taraporvala from July, 1964, Mr. R. C. N. Scott of James Finlay & Co., Ltd. served as a member of this Committee.

Excise Duty on Tea.— (1) *Rates of Excise Duty.*—The rates of excise duty on tea remained unchanged during the year as follows :—

		Excise Duty per Kg	Special Excise Duty per Kg	Total per Kg
Zone I	Green Tea	10 nP.	2 nP.	12 nP
	Tea other than Green Tea	15 nP.	3 nP	18 nP.
Zone II		25 nP.	5 nP.	30 nP.
Zone III		30 nP.	6 nP.	36 nP.
Zone IV		35 nP.	7 nP.	42 nP.
Zone V		45 nP.	9 nP.	54 nP.

(2) *Payment of Excise duty by cheque.*—In last year's report it was recorded that the excise authorities had introduced a system for the payment of excise duty by cheque which involved the execution of bonds covering the duty normally payable during a period of not less than seven days.

With a view to reducing the number of bonds to be executed the Association suggested to the Collector of Central Excise, West Bengal that Agency Houses should be allowed to execute one bond in respect of all their gardens in

West Bengal. The Collector could not accept this suggestion but agreed that one bond could be executed by Agency Houses for all their tea factories in the same excise circle provided that the annual amount payable by each of the factories concerned exceeded Rs. 25,000.

(3) *Power to sign documents.*—In last year's report it was recorded that factory inspectors in West Bengal were insisting that if excise documents, such as gate passes, had to be signed by a person other than the manager, such other person would have to hold a power of attorney giving him authority to sign. The matter was taken up with the Collector but he supported the view of the factory inspectors. In the circumstances the Association recommended to members that where it was desired that a person, other than the Manager should sign gate passes, the companies concerned should issue a limited power of attorney empowering him to sign such documents.

(4) *Accommodation for Excise Officers.*—In last year's report it was recorded that the excise authorities were endeavouring to pay rent for accommodation which was provided for excise officers earning salaries of less than Rs. 150 p.m., at the rate of 7½ per cent of the officers' emoluments plus Rs. 20/- instead of at the agreed rate of 10 per cent of the officers' emoluments plus Rs. 20/-. The Association had objected to this change. The Collector later informed the Association that rents would be paid at the agreed rate.

Towards the end of the year the Association was informed that a Superintendent of Central Excise had asked a manager to sign a declaration undertaking to continue letting office accommodation to the Excise Department for five years at a fixed rental of Rs. 25 per month. In view of the 1949 agreement under which the excise department agreed to pay rent at the rate of 10 per cent of the excise officer's salary plus Rs. 20, it was not understood why tea gardens were being asked to sign declarations committing themselves to provide accommo-

ation for five years at a fixed rental. The matter was referred to the Collector of Central Excise, West Bengal who has taken the matter up with the local officers.

(5) *Percentage of recovery of tea.*—In last year's report it was recorded that the Superintendent of Central Excise, Alipur Duars had issued a "Show Cause" notice to the Manager of a tea estate in the Dooars because, according to the records, the percentage of recovery on his estate during a certain period was less than the recovery percentage of another garden during the same period.

The hearing in connection with the "Show Cause" notice took place in December, 1963 and it is satisfactory to note that in an order issued in April, 1964, the Superintendent decided to drop his case against the estate concerned.

Drawback of Excise Duty on plywood tea chests used as containers of exported teas.—As a result of changes made under the Finance Act, 1964 in the rates of excise and import duties on a large number of commodities, the Government of India, Ministry of Finance, undertook a review of the rates of drawback admissible on the exports of various items covered by the Drawback Rules.

In response to the Tea Board's invitation for suggestions it was pointed out that the Tea Industry only received a drawback of excise duty on tea chests used as containers of tea exported from India. There had been no increase in the rate of excise duty on plywood but, owing to the imposition of excise duty on resin glue and the increase in import duties etc. on tinplate secondaries, tissue paper etc., the price of tea chests was expected to increase by at least 26 paise to 28 paise per set. It was suggested that the drawback on tea chests should be increased by an equivalent amount.

This suggestion was also put before the Committee set up by the Government of India to examine matters relating to the drawback of excise and customs duty when it visited Calcutta at the end of August. The submissions made were confirmed officially in a letter to the Ministry of Finance, whose reactions to the proposals are now awaited.

MISCELLANEOUS

Eastern India Shippers Association.— In last year's report it was recorded that at the suggestion of the Controller (Export Promotion) Government of India exporter Associations and others concerned had decided to set up a Shippers' organisation for the Eastern Zone.

This organisation, under the title of the Eastern India Shippers Association, was inaugurated at a meeting held on the 21st May, 1964, at which the Association's representative, Mr. M. R. Smith of James Warren & Co., Ltd. was unanimously elected President of the new Association.

Introduction of metric System of Weights & Measures.—In last year's report it was recorded that the Study Group on the introduction of the metric system of weights and measures on tea estates had appointed a sub-committee consisting of the Controllers of Weights and Measures for Assam and West Bengal and Mr. P. J. Parr to investigate and submit a report on the various systems followed by tea estates in the weighment of green leaf and in the issue of rations.

The Sub-Committee visited Assam from the 20th to 23rd April, 1964. The general practice in this area appeared to be for green leaf to be weighed in the pluckers baskets on spring balances which had been set back to allow for the tare of the basket, the tare being calculated on the average of the weights of a selected number of baskets. Rations appeared to be issued by box measure on some estates and by scale weighment on others.

The Terai and Darjeeling were visited by the Sub-Committee from the 26th to the 29th May, 1964. In this area it was found that leaf was generally weighed on hanging type

spring balances. On the estates visited in the Terai, the weighments were carried out in the workers' baskets or in their plucking cloths or "rumals" an agreed amount being deducted for tare. In Darjeeling, the leaf was weighed in tared containers, in which the pluckers had to empty the leaf, the scales being set back to the extent of the tare weight of the container.

Rations were generally issued by weighment through the garden shopkeeper but in some cases the old type wooden beam scales, which are now illegal, were used.

The Sub-Committee visited South India from the 1st to the 9th October, 1964. A number of difficulties had arisen in connection with the introduction of the metric system of weights and measures and these were discussed before the tour of the estates was carried out. It was agreed that the tea estates which exported their teas would be allowed to maintain one scale with dual markings, i.e., bearing both metric and avoirdupois graduations, which would be verified and stamped by weights and measures inspectors. Existing spring balances with graduations up to 135 kg. would be verified, but in future the maximum graduation should be either 100 kg., 150 kg., or 200 kg. Pocket spring balances could not be verified as they were not trade balances and rules for testing them had not been framed.

Tea estates in some areas of South India weigh the leaf in the pluckers' baskets and arrive at the weight of leaf after deducting certain fixed amounts for tare.

In other areas leaf was collected by the pluckers in small baskets which were emptied into hessian cloths or "tats". Weighment of the leaf was carried out by suspending the "tats" from a pocket spring balance either by means of cord loops or merely by knotting the four corners together. Rations appeared to be generally issued by dry measure.

A meeting of the Sub-Committee was held in October and the following recommendations were provisionally agreed upon :—

- (a) The practice of marking earnings in terms of paise on the dials of scales used for leaf weightment, followed by some estates in Assam, would be ignored.
- (b) The use of domestic type spring balances would be allowed until 31st December, 1966, by which date all existing balances of this type should have completed their useful life and would have been replaced by trade type balances.
- (c) Where it is desired to issue rations by dry measurement, volumetric measures would have to be used.
- (d) Existing practices for the weightment of leaf would be allowed to continue up to the 31st December, 1966, during which time the Industry would be expected to formulate proposals for the weightment of green leaf in tared containers, which system would ultimately have to be introduced.

The Apprentices Act 1961.— In last year's report it was recorded that the Apprentices Act, 1961 had been extended to the Tea Industry and that, as the West Bengal Government intended to enforce the Act on tea estates with effect from the 1st January, 1964, a sample enquiry had been carried out to ascertain the number of workers engaged in the "designated trade" on an average large garden. The returns received from the tea gardens concerned to this enquiry were submitted to the West Bengal State Apprenticeship Adviser but no final orders have yet been issued regarding the enforcement of the Act on tea estates in West Bengal.

In Assam, the State Apprenticeship Adviser issued a questionnaire to all tea gardens requiring them to indicate the number of "skilled" and "less skilled" workers employed by

them in the "designated trades." The Association advised members to reply to this questionnaire and to show all artisans in Grades A and B as "fully skilled" and artisans in Grade C as "less skilled." Further instructions regarding the enforcement of the Act to tea estates in Assam are now awaited.

In last year's report it had been indicated that one apprentice would have to be appointed for every seven skilled workers employed in the designated trades. During the year it was clarified that the Government of India was empowered to fix the ratio between apprentices and skilled workers employed in respect of each designated trade by notification and that, in calculating the number of apprentices to be appointed, where the ratio fixed by Government resulted in a fraction and the fraction was less than half it could be ignored. Where the ratio fixed by Government was 1:7 and where in calculating the number of apprentices there were odd numbers of workers leading to a fraction of an apprentice the following basis would have to be adopted :—

- (i) where the number of workers is three or less, they may be disregarded, and
- (ii) where the number of workers is four or more, one apprentice shall be engaged.

Foreigners (Restricted Areas) Order 1963.— In last year's report it was recorded that certain difficulties had arisen regarding the issue of permits for movement within the restricted areas by persons covered by the Foreigners (Restricted Areas) Order, 1963 and that efforts were being made to have the procedure accepted by the West Bengal authorities extended to Assam.

These difficulties occurred mainly in Darrang because it was maintained that permits, including multi-journey permits, could only be issued after police verification. A procedure was finally evolved whereby those holding residential permits or

exemption certificates would submit their applications for multi-journey permits through the Zone 3 office of the Assam Branch, which would issue certificates confirming that there was nothing known against the applicants. These certificates would be accepted by the Deputy Commissioner in lieu of the police verification report.

Late Pandit Jawaharlal Nehru.— The following telegram was sent to the Minister of International Trade, Government of India, on the 29th May, 1964 :—

“ ALL MEMBERS INDIAN TEA ASSOCIATION DESIRE EXPRESS
TO GOVERNMENT OF INDIA THEIR PROFOUND SORROW AT
THIS TIME OF NATIONAL BEREAVEMENT ”

This was followed up by a letter to the Private Secretary to the President of India which read as follows :—

“ I have been directed by the Chairman and Committee of the Indian Tea Association, assembled in meeting, to convey to the Government of India their profound sense of sorrow at the demise on Wednesday, 27th May, 1964, of Pandit Jawaharlal Nehru, the beloved Prime Minister of India.

My Chairman and Committee, and members of all the Association's upcountry Branches, join with the people of India in expressing their feeling of grief and personal loss occasioned by the passing of this great man, who contributed so much to the emergence of the modern Indian nation and who endeared himself to the entire people by his devoted life of public service and leadership. In Pandit Nehru's death, India and the World have lost a leader and statesman of the highest stature.

It is requested that these sentiments be respectfully conveyed to the President and to members of the late Pandit Nehru's family.”

Members of the Association have been asked to contribute to the Jawaharlal Nehru Memorial Fund at the rate of Rs. 3.50 per hectare and it is hoped that a sum of Rs. 5 lacs will be raised.

Assam Chaplaincy Scheme.— The Rev. F. H. Davey was appointed by the Bishop of Assam to replace the Rev. L. T. F. Carpenter and he took up his appointment at the end of June, 1964. The Chaplains are now posted as follows :

Rev. F. H. Davey ... at Lahoal near Dibrugarh

Rev. P. Innes ... at Digboi.

Tea Companies continued to contribute to the Scheme in 1964 at the same rate as in 1963 viz. Rs. 124/- per 100 hectares.

Planters Amenities Fund.— The rates of subscription to the Planters Amenities Fund for 1964 were fixed at the same level as in 1963 viz :

31 paise per hectare for Cachar gardens.

62 paise per hectare for all other tea areas.

The collections made were distributed in accordance with proposals, which received the prior approval of the Committee.

Malaria Control.— The second Malaria Eradication Co-ordination meeting was held in Shillong on the 17th and 18th February and was attended by Dr. A. Gilroy, the Principal of the Ross Institute of Tropical Hygiene, India Branch.

At this meeting the Director of the National Malaria Eradication Programme expressed his dissatisfaction at the manner in which the insecticides supplied by his Directorate had been utilised by tea gardens in Assam and indicated his intention to take over spraying operations entirely. It was agreed, however, that the change over would be carried out under a phased programme in consultation with Dr. Gilroy

and would only take place when the State Malaria Officer confirmed that his organisation was capable of dealing with the work.

The Director also complained that tea gardens were not co-operating with the N.M.E.P. in the matter of Passive Surveillance and that case detection and the administration of the N.M.E.P. standard treatment regimes were being very imperfectly carried out in estate hospitals. It was agreed that tea estates should be reminded of their responsibilities in this connection.

Spraying operations were taken over by the N.M.E.P. in September, 1964. Certain initial difficulties were experienced and Dr. Gilroy arranged for meetings to be held at Cinnamara and Dibrugarh, which were attended by Principal Medical Officers, the Branch Officials and the State Malaria Officer, to discuss the problems which had arisen. These meetings proved most useful as they provided an opportunity for the N.M.E.P. to explain the assistance needed from tea gardens to ensure satisfactory spraying of workers' houses and the implementation of the Passive Surveillance programme. Members were advised of the results of these discussions in Circular No. 127 of the 26th November, 1964 and asked to extend their co-operation as follows :—

- (1) Assistance in seeing that houses are not locked or that keys were left with the line chowkidars.
- (2) Participation by the estate Malaria Supervisor in the spraying programme.
- (3) A high standard of passive surveillance with presumptive and radical treatment given according to the NMEP regimes."

Calcutta School of Tropical Medicine.— The members of the Association, with a few exceptions, continued their support of the Calcutta School of Tropical Medicine during 1964, the sub-

cription being fixed at 7.5 paise per hectare. A total of Rs. 8,628.19 was accordingly paid over to the School. The Association was represented on the Governing Body of the School by Mr. I. F. Morriss.

The normal courses for the Licence and for the Diploma in Tropical Medicine were held during the year as from the 22nd October, 1964.

Ross Institute of Tropical Hygiene.—Tea Companies in the membership of the Association continued to support the Ross Institute of Tropical Hygiene, India Branch, during the year.

Professor G. Macdonald, Director of the Ross Institute of Tropical Hygiene, London paid a visit to India in February/March, 1964 and carried out an extensive tour of the tea districts when he was able to visit a number of tea garden hospitals and to study the work being done by the Ross Institute for the Industry.

With the co-operation of Dr. B. N. Chatterjee, the Chief Medical Officer of the Chuapara Medical Association, the Ross Institute conducted a refresher course for Assistant Medical Officers in January, 1964.

A three-week training course for Health Assistants was held at the Institute's headquarters from the 30th November to the 19th December, 1964. Only 13 candidates were nominated by members for this course.

Cemeteries in the Tea Districts.—Agency Houses with interests in Darjeeling subscribed towards the Darjeeling Cemeteries Fund at the rate of Rs. 30/- for each garden, while those in Cachar, except gardens in Longai Valley, contributed towards the Christian Cemetery in Silchar at the rate of Rs. 20/- per garden.

Membership Subscription.— The rate of membership subscription for the last three years has been as follows :—

1962 ...	2.88 P. per kilogram of the average production for the years 1958, 1959, and 1960.
1963 ...	2.88 P. per kilogram of the average production for the years 1959, 1960 and 1961.
1964 ...	1.20 P. per kilogram of the average production for the years 1960, 1961 and 1962.

Finance.—Copies of the audited balance sheet of the Association as at 31st December, 1964, together with the revenue accounts for the year are attached to the report.

H. K. FitzGerald, *Chairman*.
A. F. Macdonald, *Vice-Chairman*.
B. P. Bajoria
Sir Richard Duckworth, Bt.
B. D. C. Dunhill
P. A. Francis
S. D. K. Fraser
E. H. Hannay, O.B.E.
A. N. Sircar
Hon. S. P. Sinha
D. B. Wallace
G. A. Whitaker.

E. I. Brown,
Assistant Secretary,
Royal Exchange,
Calcutta, 1st February, 1965

REPORT OF THE WEST BENGAL SUB-COMMITTEE

The West Bengal Sub-Committee.— The following gentlemen served as members of the Sub-Committee for 1964:—

Mr. D. B. Wallace, Chairman.	}	Shaw Wallace & Co., Ltd.
Mr. P. Steyn		
Mr. P. A. Francis, Vice-Chairman.	}	Andrew Yule & Co., Ltd.
Mr. F. P. D. Hurst		
Mr. M. J. Chaytor	}	Williamson Magor & Co., Ltd.
Mr. G. Sandys-Lumsdaine		
Mr. S. D. K. Fraser		Octavius Steel & Co., Ltd.
Mr. M. Lamond	}	Jardine Henderson Ltd.
Mr. B. D. C. Dunhill		
Mr. A. F. Macdonald	}	Duncan Brothers & Co., Ltd.
Mr. M. S. Christie		
Mr. C. R. F. Mackenzie		McLeod & Co., Ltd.
Mr. G. W. Maycock		Gillanders Arbuthnot & Co., Ltd.
Mr. S. Prashad		Davenport & Co. Ltd.
Mr. R. C. N. Scott		James Finlay & Co., Ltd.

During the absence on leave of Mr. D. B. Wallace, Mr. A. F. Macdonald acted as Chairman of this Sub-Committee

Threatened Strike in Darjeeling.— At their annual conference held in May, 1964 the Darjeeling District Chia Kaman Mazdur Union passed a resolution covering a charter of demands which included claims for increased wages ; the provision of pension

and gratuities to retired workers ; demands for the payment of bonus for 1962 and for the fuller implementation of the provisions of the Plantations Labour Act ; and demands for the issue of free tea to the labour and of firewood where arrangements did not exist.

On the 13th July, 1964, the Union gave notice to the Darjeeling Branch Indian Tea Association and the other sister Associations concerned that if the demands included in the charter were not met by the 19th July the workers would go on a general strike from the 20th July.

On receipt of this information, the Deputy Commissioner, West Bengal, immediately proceeded to Darjeeling to discuss the matter and as a result of his intervention the strike notice was withdrawn on the 16th July. Thereafter the Union's demands were discussed with the Deputy Labour Commissioner in the presence of the Union's representatives and the following decisions on the main items of dispute were recorded :—

- (a) The demands relating to wages, scales of pay and ancillary subjects were matters for decision by the Wage Board, who would be requested to expedite the issue of their recommendations.
- (b) A meeting would be called at Calcutta to discuss the question of Bonus for 1962.
- (c) The Unions agreed to report to the Assistant Labour Commissioner cases where tea was not issued by the tea estates either in dry or liquid form.
- (d) The Unions agreed to report to the Assistant Labour Commissioner cases where firewood was not issued to the labour.
- (e) Where the workers at individual gardens wished to observe May Day as a holiday they could notify their managers that they would prefer to observe

this holiday and forego one of the scheduled holidays.

Age of retirement and retiral benefits for daily rated workers, subordinate staff and other monthly rated workers in West Bengal.—
The Deputy Labour Commissioner, West Bengal convened a conference on the 25th May, 1964 to consider the following subjects which had been put forward by the West Bengal Cha Sramik Union:—

- (i) Retiring age ;
- (ii) Continuation of existing facilities for workmen's genuine dependents regarding rates ;
- (iii) Preference to local people in recruitment.

The conference was attended by Mr. D. B. Wallace, Mr. G. E. Stevenson, Mr. P. J. Parr and Mr. R. C. Mazumdar on behalf of the Association. The discussions on the subject of retiring age were prolonged but eventually an agreement was reached and signed by representatives of both employers and labour, the main features of which were as follows :—

- (1) Until the questions of retirement benefits and age of retirement had been finally settled either by the Government of India or by the Wage Board, employers would not force any workers in the above-mentioned categories to retire on grounds of old age ;
- (2) There would be no objection to workers retiring voluntarily on grounds of old age, and in such cases any benefits presently paid to such categories of workers would continue to be paid to them on grounds where such systems were in force ;
- (3) Where no system of retirement benefits was in force the Union(s) might refer the matter to the Association for sympathetic consideration.

The other two items of the agenda were discussed generally but were deferred for further consideration.

On the 17th July, 1964 an agreement on the same lines as that mentioned above was reached and signed by representatives of the Darjeeling Branch Indian Tea Association and the Unions in Darjeeling.

West Bengal Housing Advisory Board.— One meeting of the West Bengal Housing Advisory Board was held in December, 1964 and was attended by Mr. D. B. Wallace and Mr. P. J. Parr on behalf of the Association.

The following main items were considered :—

- (1) Out of 135 applications for relaxation on financial grounds, 38 had been granted and the rest had been turned down. Thirty-five applications for relaxation on grounds of shortage of materials had been accepted.
- (2) It was agreed that applications for relaxation would have to be considered on their merits even after the report of the Working Group on Labour Housing had been adopted and implemented by Government.
- (3) Kutchha houses could not count towards the 8 per cent target. Complaints that kutchha houses were not being properly maintained would be investigated.
- (4) The windows of all pucca houses would in future be provided with bars and the specifications would be amended accordingly.

West Bengal Medical Advisory Board.— One meeting of the West Bengal Medical Advisory Board was held in 1964 at which the Association was represented by Mr. D. B. Wallace, Mr. P. J. Parr and Dr. I. P. Madhok.

At this meeting the main item discussed was the appointment of trained nurses and midwives to garden hospitals and the establishment of a training centre at Bhatpara. The labour representatives deplored the fact that no progress had been made to implement the scheme for the training centre, which had been put before the Tea Board as long ago as 1961. It appeared that difficulties had arisen over the terms for the lease of the land offered by the Company and it was decided that the Labour Commissioner should ask the Tea Board to expedite a decision on the matter.

The Advisory Board also set up a Sub-Committee of four members which included Mr. Wallace, to visit the Bhatpara Hospital, which had applied for recognition as a Group Hospital.

Air Services in the Dooars.— The various airfields in the Dooars continued to function successfully under the control of the local airfields committees and the aircraft operated by Associated Air Works under an agreement with the Dooars Branch, provided a valuable service throughout the year.

As in previous years, Jamair Co. Private Ltd. were retained to provide services between Calcutta and the Dooars ; and estates in the Dooars agreed to ship $2\frac{1}{2}$ per cent of their crops as backloads by that company.

In February, Jamair Co. Private Ltd. were advised by the Director General of Civil Aviation that Air Headquarters had extended the permission granted to them to operate from Hasimara airfield for a period of six months only and that as no further extensions were likely to be granted they should explore the possibility of operating from Bagdogra.

The Association took the matter up with the Tea Board pointing out the great inconvenience which tea estates in the

Kalchini and Hasimara areas would experience if the services to Hasimara were discontinued.

Unfortunately the Defence Ministry were unable to reconsider their decision and the Jamair services to Hasimara had to be discontinued at the end of July. Temporary arrangements were made for the booking of cargo to and from Hasimara via. Telepara from where the goods were moved by truck to Hasimara.

In the meantime the matter was taken up directly with the Minister of State, Ministry of Defence, and permission to use Hasimara Airfield was again granted to Jamair Co. Private Ltd. in October.

Airfields in the Dooars.— In the Association's report for 1960 it was recorded that the Association had addressed the Government of West Bengal suggesting that, where tea garden lands comprising airfields in the Dooars were taken over by Government under the West Bengal Estates Acquisition Act, they should be re-leased to the Association as soon as possible so as to prevent their falling into disrepair or being occupied by third parties to the disadvantage of the Association and of Government.

At a meeting held on the 23rd May, 1964 at Darjeeling under the Chairmanship of the Secretary, Land and Land Revenue Department, Government of West Bengal, it was agreed that it would be possible for Government to acquire the airfields and then to give them on lease at very nominal rent to the Association, provided that the gardens did not demand any compensation.

The Association accordingly asked the owners of the airfields concerned to confirm that they would not claim compensation in respect of their lands included in the airfields if Government agreed to re-lease the land to the Association at nominal rental. Confirmation was received in respect of all the

airfields with one exception and Government has been asked to take the necessary steps to secure the transfer of the airfields to the Association. Further action by Government is awaited.

West Bengal Estates Acquisition Act and Rules.— (1) *The Act*—The West Bengal Estates Acquisition Act, 1953 was amended by the West Bengal Estates Acquisition (Amendment) Act, 1964, which received the assent of the President of India and was published in the Calcutta Gazette Extraordinary of the 21st November, 1964. This Act made a number of amendments, the most important being the amendment to Section 42, sub-section (2), which laid down the manner in which the rent payable in respect of retained lands was to be determined. For land under tea cultivation or covered by factories, office buildings, or quarters for labourers of a tea garden, the rate fixed was twice the average rate of rent paid for the highest class of agricultural lands in the vicinity, subject to a maximum of Rs. 6/50 per acre. The rate for lands under cardamom was fixed at Rs. 15/- per acre.

When Government's intention to increase the ceiling on tea garden land rents from Rs. 4/50 to Rs. 6/50 per acre became known at the end of August 1964, the Consultative Committee of Plantation Associations submitted a memorandum to the Land and Land Revenue Minister pointing out the hardship this increase would impose on tea gardens in West Bengal, a large number of which had made losses in 1959, 1960 and 1961. The Minister granted an interview to representatives of the industry on the 29th December, 1964 when the economic difficulties of tea gardens were further explained and an assurance was received that the matter would receive further consideration.

(2) *The Rules.*—A number of notifications were issued during the year by the Government of West Bengal amending the West Bengal Estates Acquisition Rules, 1954, and these notifications were circulated to members for information.

(3) *Cardamom Lands*.—Early in the year the Darjeeling Branch reported that a number of estates in Darjeeling had received notices under Section 6 of the West Bengal Estates Acquisition Act requiring them to surrender to Government lands under cardamom cultivation by tea garden labour. It appeared that Government had decided to take over these lands in the belief that tea gardens were charging high rents for such lands.

As a number of gardens charged no rent or very nominal rent to their labour for lands used for cardamom cultivation, the Association addressed a representation to the Revenue Department of the Government of West Bengal advising them of the position and explaining that estates were prepared, if Government had objections to rents being levied, to charge only licence fees as in the case of khet holdings.

It was indicated to Government that tea gardens would be greatly inconvenienced if they had to surrender such lands because in most cases cardamoms were cultivated in small inaccessible patches, which it would be difficult for anyone except the garden to administer. Furthermore these areas would become isolated pockets which might work to the detriment of the garden if they were held by outsiders. A few cardamom seeds, if brought into the factory, could ruin a whole day's crop and tea gardens exercised a strict control over the harvesting of cardamoms to ensure that no plucking baskets were used for the purpose. If outsiders were allowed to hold lands for the cultivation of cardamoms within tea garden grant such control would not be possible and cardamom taint in teas was almost certainly to arise.

In view of these circumstances Government was urged to withdraw the orders issued requiring tea gardens to surrender lands under cardamom cultivation.

In due course Government advised the Association that it had been decided to allow tea gardens to retain cardamom lands within their respective areas subject to the condition that the gardens did not realise licence fees from the licencees in excess of twenty-five percent over the rent payable by them as lessees which, by an amendment to the West Bengal Estates Acquisition Rules, was fixed at rupees fifteen per acre.

(4) *Land acquisition.*—The information which the Association had asked members to supply early in the year regarding the extent to which lands suitable for the cultivation of tea had been requisitioned or acquired by Government became available in July. These returns showed that, taking only cases where areas of over 50 acres were involved, tea gardens had had nearly 15,000 acres of land acquired or requisitioned and that over 9,000 acres of this area consisted of lands suitable for the cultivation of tea which the estates were anxious to recover. This information was passed on to the Tea Board whose attention was also invited to the deleterious effect which Government's policy of requisitioning/acquiring all forest lands, was having on the economy of tea gardens. The Board was asked to urge Government to examine the cases of estates desirous of recovering their acquired/requisitioned lands and to suggest the appointment of a special officer to whom the estate's representatives could explain their individual cases and who would have powers to pass orders returning to tea estates such acquired/requisitioned lands as were required by them.

The Association's representation was supported by the Consultative Committee of Plantation Associations which sent a memorandum in September to the Chairman of the Tea Board for submission to the Chief Minister of West Bengal. A memorandum was also submitted direct to the Minister of Land and Land Revenue, urging that land suitable for the cultivation of tea should not be requisitioned. This was followed up by a deputation, including Mr. D. B. Wallace and Mr. P. Crombie,

which met the Land and Land Revenue Minister on the 29th December, 1964. The Minister gave an assurance that each case would be treated on its merits and that no action would be taken which might affect the maintenance and expansion of tea gardens.

West Bengal Forest Advisory Board.—Mr. R. D. C. McCall, M.C. of the Rydak Tea Estate in the Dooars continued to represent the Association on the West Bengal Forest Advisory Board.

Electricity supply in North Bengal.— Sir Richard Duckworth, Bt. continued to represent the Association on the West Bengal State Electricity Consultative Council during the year, but during his absence on leave Mr. M. C. Whear and Mr. J. A. Eastwood attended the meetings of the Council held in May and August respectively.

Four meetings were held during the year at which the progress of the Jaldhaka Hydro Electric Project was reviewed. On the 31st July the Jaldhaka Project site was hit by heavy land slides and floods. Fortunately damage to the project was limited and was soon rectified ; and it is anticipated that Stage I of the Project will be completed by March, 1965.

The industry's representatives at the meetings urged that the Electricity Board should bear the cost of installation of the feeder lines to the estates and that the tariff rates should be suitably amended to include these costs if necessary. The suggestion is still under examination.

During the year several members reported that they had been asked by the Electricity Board to confirm that they wished to take electricity from the grid ; while others were asked to indicate their acceptance of certain service connection charges, which it was stated were based on their requirements of power and included the cost of an oil circuit breaker on the garden. It appeared that the service charge was based on a

cost of Rs. 12,000 per mile for the installation of the feeder lines.

Despite several requests from the Association for information regarding the tariff rates, these have not been forthcoming.

Training of Dais in Darjeeling.— The courses organised by the Desbandhu Dai Training Society at Darjeeling continued to be held in 1964 and a number of tea garden nominees attended, applications for admission being channelled through the Association and the Tea Board.

Dooars & Darjeeling Nursing Home.— Dr. R. G. Azizkhan, the Principal Medical Officer of the Dooars and Darjeeling Nursing Home, resigned his appointment towards the end of 1963 and left India in June, 1964. Dr. R. N. Bose, M.B.B.S., F.R.C.S. was appointed Principal Medical Officer in his place and took up his appointment in August, 1964.

The rates of tea company subscriptions were maintained at the same level as in 1963 viz. :—

For gardens in Darjeeling	Rs. 4.65 per hectare
For gardens in Terai	Rs. 3.85
For gardens in the Dooars excluding Eastern Dooars	Rs. 1.85
For gardens in Eastern Dooars	Rs. 1.25
Special Health Scheme	Rs. 4.65

Darjeeling Chaplaincy Fund.— In 1948, the Association gave an assurance to the Metropolitan of India that on condition that a Chaplain was maintained in Darjeeling, an annual contribution of Rs. 5,000/- would be guaranteed by the Industry to assist in the upkeep of the Chaplaincy. During the year under review Agency House gardens in the Darjeeling

District contributed at the rate of 80 nP. per hectare to raise the guaranteed sum and the total collection, which amounted to Rs. 5,142/59 was paid to the Bishop of Barrackpore under whose jurisdiction Darjeeling falls.

D. B. WALLACE,

Chairman.

West Bengal Sub-Committee.

Royal Exchange,

Calcutta, 1st February, 1965.

**REPORT OF THE SCIENTIFIC SUB-COMMITTEE FOR
THE YEAR ENDING 31ST DECEMBER, 1964.**

The Scientific Sub-Committee.— The following persons served as members of the Scientific Sub-Committee during 1964 :—

Mr. I. F. Morriss, O.B.E.,	Jardine Henderson, Ltd.
<i>Chairman.</i>	
Mr. A. F. Macdonald,	} Duncan Brothers & Co., Ltd.
<i>Vice-Chairman.</i>	
Mr. M. S. Christle	
Sir Richard Duckworth, Bt.	} James Warren & Co., Ltd.
Mr. M. R. Smith	
Mr. H. K. FitzGerald	Balmer Lawrie & Co., Ltd.
Mr. P. A. Francis	} Andrew Yule & Co., Ltd.
Mr. F. P. D. Hurst	
Mr. M. J. Griffiths	Williamson Magor & Co., Ltd.
Mr. R. MacIntosh	Telepara Tea Estate
Mr. C. R. F. Mackenzie	McLeod & Co., Ltd.
The Hon. S. P. Sinha	} Macneill & Barry Ltd.
Mr. M. C. Taraporvala	
Mr. A. N. Sircar	} James Finlay & Co., Ltd.
Mr. R. C. N. Scott	
Mr. P. Steyn	} Shaw Wallace & Co., Ltd.
Mr. D. B. Wallace	
Mr. M. C. Whear	Octavius Steel & Co., Ltd.
Mr. G. A. Whitaker	Gillanders Arbuthnot & Co., Ltd.

Tea Research Association.— The Tea Research Association was constituted on the 1st January, 1964 and with effect from that date the Association handed over control of Tocklai Experimental Station to that Association.

The Council of Management of the Tea Research Association consists of twenty-four members and the Association is represented on the Council by Mr. P. Crombie, the Senior Adviser, Mr. I. F. Morriss of Jardine Henderson, Ltd., and Mr. A. F. Macdonald of Duncan Brothers & Co., Ltd., were elected Chairman and Vice-Chairman respectively of the Tea Research Association at an ordinary general meeting of the Association held on the 30th March, 1964.

Staff at Tocklai Experimental Station.— The following staff of the Association served on deputation with the Tea Research Association during 1964 :—

Mr. N. G. Gokhale	...	Director.
Mr. J. R. Gee-Smyth	...	Administrative Controller.
Mr. M. K. Choudhuri	...	Finance & Accounts Officer.
Dr. D. N. Barua	...	Botanist.
Mr. W. Hadfield	...	Assistant Botanist.
Mr. P. K. Barua	...	Assistant Botanist.
Dr. K. N. Sharma	...	Agriculturist.
Dr. G. M. Das	...	Entomologist.
Dr. V. Agnihotrudu	...	Mycologist.
Dr. T. D. Mukerjee	...	Pesticide Testing Officer.
Dr. I. S. Bhatia	...	Biochemist
Mr. R. Choudhury	...	Tea Taster and Manufacturing Adviser.

Mr. D. N. Barbora	...	Research Engineer.
Dr. A. R. Sen	...	Statistician.
Mr. S. K. Dutta	...	Chief Advisory Officer, Assam.
Dr. P. C. Sharma	...	Advisory Officer, North Bank.
Mr. S. K. Basu	...	Advisory Officer, Tocklai.
Mr. W. J. Grice	...	Senior Advisory Officer, West Bengal.
Mr. H. Mitra	...	Advisory Officer, West Bengal.

Dr. G. M. Das retired at the end of March, 1964, and Mr. V. Agnihotrudu resigned in May, 1964.]

Tocklai Annual Conference.— The 21st Annual Conference was held at Tocklai Experimental Station on the 17th, 18th and 19th November, 1964. The programme of the Conference covered :—

- (a) Skiffing of tea ;
- (b) Use of phosphate and potash manure for tea ;
- (c) Chemical and physical wither in relation to quality of C.T.C. teas and
- (d) Chemical considerations in clonal selection.

Papers were presented by various members of the Tocklai Staff on the subjects and were followed by discussions, answers to set questions, visits to laboratories, etc.

The Conference was attended by Mr. H. K. FitzGerald and Mr. P. Crombie on behalf of the Association.

Lecture Courses. Five lecture courses were held at Tocklai in 1964.

"General Lecture Course".—Three courses were held from the 23rd March to 28th March, 30th March to 3rd April, and 6th to 11th April, 1964.

"V. P. Courses"—Two courses were held from 25th May to 29th May, and from 1st June to 5th June, 1964.

V. P. Advisory Study Group.—The first meeting of the V. P. Advisory Study Group was held at Tocklai on the 12th, 13th and 14th February. The meeting was attended by 14 members of the Group who represented 12 I. T. A. member Agency Houses. The following papers were presented at the sessions :—

- (i) "Propagation Technique" by Mr. S. K. Dutta.
- (ii) "Selection and Trial of Vegetative Clones"
by Dr. D. N. Barua.
- (iii) "Cultural Management of Clones"
by Dr. K. N. Sharma.
- (iv) "Planning and Lay-out of Clonal Areas"
by Mr. S. K. Dutta.
- (v) "Manufacture of Clonal Tea"
by Mr. D. N. Barbora.
- (vi) "Tasting of selection material and mixing of Clones"
by Mr. R. Choudhury.

I. F. MORRISS.

Chairman.

Scientific Sub-Committee.

Royal Exchange,
Calcutta, 1st February, 1965.

INDIAN TEA ASSOCIATION.

STATEMENTS OF ACCOUNTS

For the year 1964.
